

## Insurers Move To Save Automatic Restraints

Two major elements of the insurance industry have filed suit to overturn the National Highway Traffic Safety Administration's (NHTSA) recent decision to drop automatic restraint requirements for new cars.

State Farm Mutual Insurance Co., the nation's largest auto insurer, petitioned the U.S. Court of Appeals for the District of Columbia for a review of the October 23 NHTSA decision and order. Separately, the National Association of Independent Insurers (NAII), the country's largest trade association representing property/casualty insurers, filed a motion seeking a stay of the NHTSA rescission order pending review of its legality and asked for an expedited hearing. Also, in accordance with legal procedure, both State Farm and NAII petitioned NHTSA to stay its passive restraint order until the court reaches a decision.

### Makers Agree to Warn Jeep Owners of Hazards

The makers of the Jeep CJ series of multipurpose vehicles have agreed, under pressure from the Federal Trade Commission (FTC), to warn present and future Jeep owners of the hazards of on-road use of the vehicles.

The FTC announced November 30 that representatives of the Jeep Corporation and its parent company, American Motors Corporation, had agreed to issuance of a consent order requiring them to "cease and desist" what are charged to be "deceptive acts or practices" connected with the advertising and sale of Jeeps.

Under terms of the proposed consent order, signed October 6 by the manufacturers' representatives and approved November 27 by the FTC, the Jeep makers must do the following:

- Affix a sticker to the instrument panel or

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Failure to install automatic restraints in large and mid-size cars for the 1983 model year could result in an additional 3,000 deaths and more than 50,000 serious injuries, NAII said in its petition.

In October, NHTSA issued a final rule dropping the automatic restraint provisions of Federal Motor Vehicle Safety Standard (FMVSS) 208 which would have required auto makers to provide

On December 7, the U.S. Court of Appeals denied the request for stay of NHTSA's order rescinding the automatic restraint provisions of FMVSS 208 and scheduled a hearing on the other issues.

30 mph automatic frontal crash protection for front seat occupants. The rule had already been delayed a year by NHTSA. Had it been allowed to remain in force, it would have applied to large and mid-sized 1983 car models. (See *Status Report*, Vol. 16, No. 17, Nov. 5, 1981.)

In its request for a stay of NHTSA's order, State Farm said, "It bears emphasizing that petitioners seek a stay not to . . . commence a new action, but rather to preserve a situation that has

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### **Study Recommends Car Seats to Protect Young Air Travelers (Cont'd from page 5)**

Figuring it would take an investment of only \$300,000 to supply the necessary auto seats for all regular U.S. airline flights over a five-year period, the researchers estimate that three lives would be saved in that time by use of the restraints.

The Federal Aviation Administration has been studying the problem of child restraints for some time, and last year was criticized by the General Accounting Office for the delays in adopting procedures to protect child passengers. (See *Status Report*, Vol. 15, No. 9, June 10, 1980.)

Copies of the new research study, "Relative Mortality of Unbelted Infant Passengers and Belted Non-Infant Passengers in Air Accidents with Survivors," are available from Daniel Fife, M.D., Insurance Institute for Highway Safety, Watergate 600, Washington, D.C. 20037.

### **Makers Agree To Warn Jeep Owners of Hazards (Cont'd from page 1)**

windshield frame of each new Jeep CJ vehicle warning the user that, "This multipurpose vehicle handles and maneuvers differently from an ordinary passenger car. As with other vehicles of this type, sudden sharp turns and abrupt maneuvers may result in loss of control. Read driving guidelines in Owner's Manual and Supplement. WEAR SEATBELTS AT ALL TIMES."

- Include in the Owner's Manual and Supplement specific warnings about on-road operation including this statement: "Utility vehicles have higher ground clearance and narrower track to make them capable of performing in a wide variety of off-road applications. Specific design characteristics give them a higher center of gravity than ordinary cars. An advantage of the higher ground clearance is a better view of the road allowing you to anticipate problems. They are not designed for cornering at the same speeds as conventional 2WD vehicles any more than low-slung sports cars are designed to perform satisfactorily under off-road conditions. If at all possible, avoid sharp turning maneuvers. As with other vehicles of this type, failure to operate this vehicle correctly may result in loss of control or an accident."

- Provide free copies of the Supplement to each dealer for distribution to prospective Jeep customers at the point of sale.

- Send to "each identifiable current registered owner of Jeep CJs [CJ-5, CJ-6, and CJ-7] from the 1972 model year to the effective date of this Order" a copy of the warning sticker and a letter advising them to affix the sticker to their Jeep.

#### **Public Has 60 Days to Comment**

The proposed consent order was published in the Federal Register December 4 and will be subject to a 60-day public comment period. At the end of that time (Feb. 2) the FTC will review the docket and may issue a consent order on a final basis.

Although FTC policies bar disclosure of the specific origins of an agency investigation, staff members pointed out that, as a matter of routine, the FTC monitors advertising. The agency's initial concerns were not with the Jeep CJ vehicles but with advertising of the vehicles, FTC sources explained. The investigation was reported to have begun approximately 16 months ago after the 1980 Jeep CJ advertising campaign came to FTC attention. Two television commercials prepared for the 1981 model Jeep and dated Sept. 22, 1980, were cited by the FTC as examples of advertising which stressed highway use of the vehicles without warning of the potential hazards.

First indication of the FTC interest in the Jeep problem came a year ago with publication of an article in the *San Francisco Chronicle*, Dec. 11, 1980. The copyrighted report said at that time: "The Federal Trade Commission, concerned that Jeep advertising may induce owners to drive Jeeps beyond the vehicles' capabilities, has been gathering information for nearly a year from attorneys who have sued Jeep and from the Washington-based Center for Auto Safety, a consumer group that gathers safety-related data."

The agreement was negotiated by the FTC and the Jeep makers as a settlement of charges raised in a draft complaint prepared by the FTC. The agency alleged that Jeep advertising presented the vehicles in use as an ordinary passenger car but failed to disclose that, in fact, the Jeep CJs handle differently from passenger cars in certain circumstances. "The Jeep CJ handles and maneuvers differently from an ordinary passenger car under certain reasonably expected driving conditions; sharp turns or abrupt maneuvers on-pavement may result in loss of control or an accident," the FTC said in its draft complaint.

The validity of that statement has been shown in research studies at both the University of North Carolina Highway Safety Research Center and the University of Michigan Highway Safety Research Institute, as well as in a series of handling tests sponsored by the Insurance Institute for Highway Safety at the Dynamic Science, Inc., test facility at Phoenix, Ariz. (See *Status Report*, Vol. 16, No. 16, Oct. 20, 1981, and Vol. 15, No. 19, Dec. 22, 1980.)

#### **Jeeps Have High Rollover Rate**

The research studies established that utility vehicles have the highest rate of involvement in single-vehicle rollover crashes, when compared with passenger cars and pickup trucks, and that the Jeep CJ-5 is by far the worst performer. The IIHS tests showed that the CJ-5 has a tendency to roll over in highway handling situations that cause no problem for passenger cars.

While the FTC explained that consent agreements are for "settlement purposes only and do not constitute an admission by the company that it violated the law," once issued in its final form it will carry the force of law and violations could result in civil penalties up to \$10,000.

This is the first time that an American auto maker has agreed to place warning stickers on its vehicles as the result of a FTC action.

Comments on the consent order should be addressed to the Office of the Secretary, FTC, 6th St and Pennsylvania Ave. NW, Washington, D.C. 20580. The action bears File No. 802 3010.