

**National Motor Vehicle Title Information System (NMVTIS)
ADVISORY BOARD MEETING
Office of Justice Programs
Washington, DC
June 22 – 23, 2010**

The NMVTIS Advisory Board convened its inaugural meeting on June 22-23, 2010, in Washington, DC, at 8:40 a.m. EST. Major Greg Terp, from the Miami-Dade Police Department and NMVTIS Advisory Board Chair, led the meeting. Over the two day meeting, the following individuals were in attendance.

Presentations made at this meeting are available upon request.

Chair

Major Greg Terp
Miami-Dade Police Department

Howard Nusbaum
National Salvage Vehicle Reporting Program

Designated Federal Official (DFO)

Alissa Huntoon
Bureau of Justice Assistance

James Owens
CARCO Group, Inc.

Advisory Board Members

Phillip Brady
National Automobile Dealers Association

Neil Schuster
American Association of Motor Vehicle Administrators (AAMVA)

William Brauch
Iowa Attorney General Office

Ray Suberlak
Audatex

Bernard Brown
The Brown Law Firm

Jerry Sullivan
American Salvage Pool Association

Judith Fitzgerald
National Insurance Crime Bureau

Jim Taylor
Auto Data Direct, Inc.

John Giknis
Insurance Services Office, Inc.

Robin Wiener
Institute of Scrap Recycling Industries, Inc.

Karen Grim
Virginia Department of Motor Vehicles

Michael Wilson
Automotive Recyclers Association

Van Guillotte
Oklahoma Department of Public Safety

Guest Observers

Kerry Bentfield
Brownstein Hyatt Farber Schreck

Lynne Judd
Wisconsin Division of Motor Vehicles

Craig Berrington
National Insurance Crime Bureau

George March
Regional Information Sharing Systems

Robert (Bob) Cox
Auto Data Direct, Inc.

Christopher McDonold
International Association of Auto Theft Investigators and Baltimore County Police Department

John C. Hallerud
Federal Trade Commission

Steve Levetan

Pull-A-Part, LLC

Jim Moors
National Automobile Dealers Association

Eileen Sottile
LKQ Corporation

Danielle Waterfield
Institute of Scrap Recycling Industries, Inc.

Guest Presenters

AAMVA

- Vivienne Cameron
- Philippe Guiot
- Marc Saitta

Federal Agency Staff

Bureau of Justice Assistance

- Kim Bright
- Todd Brighton
- David Lewis
- Patrick McCreary

Federal Bureau of Investigation

- Ryan Toole

NMVTIS System Operator: AAMVA

Wendy Day

Keith Kiser

Marney Michalowski

Meeting Summary

Day One: June 22, 2010

Welcome Remarks and Introductions

Ms. Alissa Huntoon called the meeting to order at approximately 8:40am, announced the meeting would be recorded, thanked all the members for their willingness to serve on the NMVTIS Advisory Board, and introduced the Board Chair.

In his opening remarks, Board Chair, Mr. Greg Terp, explained his law enforcement background and experience in auto-theft investigations and anti-terrorism efforts. He described the connection between stolen vehicles, organized crime, drug crimes, and terrorism. He provided examples of how high profile cases (Oklahoma City bombing and the first World Trade Center attack) were solved as a result of vehicle related information.

Mr. Terp expressed his view that NMVTIS is an important and necessary system. He reiterated how auto theft and fraud negatively impacts public safety and results in financial loss to citizens and that it is critical to be able to track vehicles to prevent VIN cloning.

Mr. Terp expressed gratitude and acknowledged several people that played a key role in bringing NMVTIS to his attention: Jim Burch (Acting BJA Director), Officer Mike Longman (Arizona Department of Public Safety), Ryan Toole (Federal Bureau of Investigation) and Vivienne Cameron (AAMVA.)

Mr. Terp next outlined what he would like to see the Board accomplish. He stated the initial meeting would be an educational process to understand the nuts and bolts of NMVTIS and to underscore the role that everyone plays in the System's effective operation. Mr. Terp indicated that the group needs to look for ways to enhance NMVTIS and to make it more effective, and identify proactive ways to reduce economic impacts that may exist for all stakeholders. He challenged the group to be open to all perspectives and to work collaboratively to provide recommendations to BJA to implement a system that is self sufficient.

Mr. Terp expressed his appreciation for everyone present and that he looked forward to working with everyone. Board members introduced themselves and the organization that they represent.

Following the Board member introductions, Ms. Huntoon asked that the other attendees around the room introduce themselves and the organizations they represent.

Ms. Huntoon thanked everyone for their participation and thanked Mr. Terp for his opening remarks. She had a few remarks on behalf of BJA Acting Director, Jim Burch, and then discussed the Advisory Board role in more detail.

Ms. Huntoon highlighted the following aspects about the NMVTIS Program:

Under the Anti Car Theft Act, NMVTIS was mandated to protect consumers from fraud and unsafe vehicles and to assist states and law enforcement with deterring, investigating, and preventing title fraud and other crimes. She underscored DOJ's strong interest in supporting this program and ensuring consumer safety and protection. She provided a high level overview of the system requirements that included:

- all states are required to provide data to and conduct title inquiries of the System;
- all junk and salvage yards, auto recyclers and insurance carriers are required to report specific data to the system.

By design, NMVTIS was created to provide very specific pieces of vehicle information to consumers. NMVTIS is not designed to provide the same information nor compete with other private vehicle history reports.

Since 1996, DOJ has invested nearly \$22 million in the System. The Board's purpose is to provide key recommendations to BJA regarding the effective and efficient operation of the System. This agenda was designed to educate members on all aspects of NMVTIS and to increase the understanding that any decision about NMVTIS implementation and operation impacts each stakeholder group. Ms. Huntoon reiterated that to fully implement the system, emphasis must be placed on the interconnectedness of the System components: law enforcement access, consumer access, states, salvage yards, auto recyclers and insurance carriers, and system technology and infrastructure.

Ms. Huntoon stated this committee will operate in compliance with the Federal Advisory Committee Act (FACA). She informed members that the NMVTIS Charter and operating procedures are included in the meeting materials.

NMVTIS System Overview: Current System Operation

Mr. Neil Schuster provided a brief overview of AAMVA's role as both an organization representing state department of motor vehicles and as the designated NMVTIS system operator. He indicated that states and AAMVA have invested significant time and money in NMVTIS development and that NMVTIS has operated at a deficit since its creation. AAMVA sees the value and benefit of the system. Ms. Vivienne Cameron was invited to present the Board with an overview on multiple system components. (See presentation for details.)

She explained that NMVTIS only maintains a subset of the full vehicle title record, while the state maintains the complete record. She outlined what options are available to states to provide data to and make inquiries of the System. She described how junk/salvage yards, auto recyclers and insurance companies report their data using "data consolidators."

During Ms. Cameron's presentation there were questions and discussion regarding the statistics on the number of entities reporting versus the number of entities registered. Ms. Robin Wiener raised concerns that these statistics were confusing and not an accurate reflection of what is happening, particularly as it relates to her members. Ms. Wiener asked for a better understanding on the breakdown of the numbers and the definitions as to which entities are deemed "junk", "salvage" or "recycler".

Mr. Philippe Guiot was invited to present on the NMVTIS system architecture. He described NMVTIS as a "system of systems," where data can be accessed in different locations depending on the data required. Mr. Bernard Brown asked how and with what frequency do the states provide data to the

system. Mr. Guiot explained that there were various approaches for states to provide data and that frequency of the updates varies depending upon that state's business practices for issuing titles.

Mr. Howard Nusbaum requested details about the impact of the architecture on the system operating cost and inquired about the cost effectiveness of the AAMVA network. Mr. Terp explained that the group will get into that level of detail at another point in the discussion. Mr. Guiot explained that AAMVA's own architecture is a mix of mainframe and servers.

Break

NVMTIS Overview: Consumer Access and Reporting Data

This section provided Board members with an understanding of the services provided by Department of Justice approved consumer access providers and data consolidators.

Consumer access providers:

Auto Data Direct, Inc. (ADD): Mr. Jim Taylor stated his business is a provider of real time access to DMV data in Florida and similar access to seven other states. The access is provided for clients who qualify to receive DMV data under the Federal Driver's Privacy and Protection Act (DPPA). He provided an overview of their NMVTIS consumer access report. He explained how a user would request and receive a NMVTIS vehicle history report.

CARCO Group : Mr. Jim Owens stated his business began as primarily a risk mitigation company but their activities include pre-insurance vehicle inspections and pre-employment background screening. He gave statistics regarding consumer inquiries. He clarified that the statistics were developed independently by his company based on their experience. CARCO is marketing directly to the consumer as well as to businesses. They are working with insurance carriers exploring opportunities to provide them with NMVTIS data. He stated that there is strong business to business opportunity for the product. He commented on the need to generate higher transaction volumes to obtain sufficient revenues to fund the system. He stated that NMVTIS needs to be viewed as a complimentary product to the products offered by Carfax and AutoCheck. He also indicated there is a public misperception that NMVTIS is not complete and therefore not as reliable as Carfax or AutoCheck.

Data Consolidators:

Audatex, Mr. Ray Suberlak: provided background information about Audatex which automates the vehicle damage estimating process, operating in 51 countries. His company works closely with the National Insurance Crime Bureau (NICB), and state and local law enforcement in the investigation of fraudulent claims. As a NMVTIS data consolidator his company systematically transfers information from its clients to NMVTIS. Mr. Suberlak suggested the NMVTIS Advisory Board look at the procedures in other countries for best practices in tracking damaged or totaled vehicles, Belgium for example.

Auto Data Direct, Inc. (ADD): Mr. Jim Taylor stated ADD has focused efforts on providing data consolidator services for smaller junk and salvage yards. He provided an overview of ADD's consolidation service and indicated that their application collects both required and optional data from entities. He announced that they have recently launched a new, free no frills reporting service for customers wishing to make single VIN inquiries. He stated his company provides a spreadsheet application for mid-sized companies and a business to business application for larger companies where a record manifest is provided.

Insurance Services Office (ISO): Mr. John Giknis provided an overview of his company which represents most of the insurance companies and works closely with the NICB. They provide

NMVTIS reporting solutions for both their member companies and for junk/salvage yards. He described ISO involvement with the National Salvage Vehicle Reporting Program (NSVRP). Mr. Giknis described the customer support that ISO provides through a toll free phone line and a web site where questions/comments can be received.

American Association of Motor Vehicle Administrators: Ms. Vivienne Cameron provided an overview of the free data consolidator service that AAMVA launched June 7, 2010, at the request of the DOJ. Information regarding this new service can be found on the AAMVA website (www.aamva.org) or the NMVTIS website (www.vehiclehistory.gov). The service is designed for single VIN inquiry and allows a junk and salvage yard to enter both the required information and some optional information.

NMVTIS Overview: Law Enforcement Tool and NMVTIS Enforcement

Mr. David Lewis, BJA, gave a presentation on the current status of the NMVTIS Law Enforcement Tool. The tool is intended to provide complete “vehicle life” information based on a VIN. Currently, this tool is accessible only through the Regional Information Sharing Systems (RISS) to ensure a secure environment. The tool was launched nationwide on June 1, 2010. It is currently in use in 34 states, has 336 authorized users, and is available to 80,000 law enforcement officers. Mr. Lewis demonstrated search functions and showed information from an actual case that used the law enforcement tool. Future plans for the law enforcement tool include the ability to conduct batch searches and access multiple data sources to assist with auto theft investigations. There was discussion about the current and future data sources for the law enforcement access tool.

NMVTIS Enforcement

Ms. Huntoon stated that enforcing the NMVTIS regulations are BJA’s responsibility. BJA is currently investigating reports of potential violations and she asked Board members to share that message with their constituency. BJA has been working in coordination with the National Highway Transportation Safety Administration (NHTSA) on related CARS enforcement. BJA is also working with FBI and local law enforcement. Ms. Huntoon indicated she would be looking to the Board for ideas and opportunities for continued outreach to reporting entities to raise awareness of the requirements and penalties associated with non-compliance. She emphasized that while enforcement is an internal DOJ matter the Board can make recommendations. There are no plans to discuss enforcement or investigation activity or specific cases at these meetings.

Ms. Lynne Judd asked if the enforcement efforts were related to a company’s violation. Ms. Huntoon indicated that the enforcement efforts were related to failure to report a VIN. Mr. Schuster asked about the compliance efforts as it related to states and was advised that the compliance and enforcement efforts described relate to junk/salvage yards and insurance companies. The federal statute does not include a penalty for states.

NMVTIS Overview: System Enhancements

Ms. Vivienne Cameron presented a chart that listed several NMVTIS system enhancements. When asked when these items will be completed, Ms. Cameron stated cost will determine completion dates.

Action Item: Mr. Terp asked Ms. Cameron to provide the enhancements list to the DFO for provision to Board members as soon as possible.

Ms. Huntoon explained this overview was important for the group to have a good understanding of current status and to determine next steps. Mr. Brauch asked Ms. Cameron about the vehicle model years that are contained in the data base. [DFO’s note: Per the NMVTIS regulations, states are

responsible for reporting titling information for *all* automobiles maintained by the state except if the state does not title older vehicles pursuant to state statute.] Vehicles are not purged.

Ms. Wiener asked if there are any plans for additional consolidators. Ms. Cameron indicated that there were no immediate plans; however, it would come out of a discussion between the Operator and DOJ as to whether additional service options are required.

NMVTIS Implementation

Mr. Terp explained that during the next hour, he would like each member to take three minutes to share information about how NMVTIS impacts his/her constituency.

Mr. Bill Brauch outlined his involvement with state odometer laws and salvage fraud and described the consumer protection functions of State Attorney Generals offices. He established the National Association of Attorneys General (NAAG) Automobile Working Group in 2005. His key interest is ensuring that consumers obtain the full vehicle history and preventing the purchase of unsafe vehicles. For many consumers a vehicle may be their most important purchase. He stated that vehicle fraud has a disproportionate impact on lower income consumers.

Ms. Robin Wiener stated that her trade association, Institute of Scrap Recycling Industries (ISRI) represents companies that process scrap commodities. Her members are companies that process automobiles into specification grade commodities (e.g., shredded steel, copper, zinc, etc.). ISRI is fully supportive of NMVTIS and can assist with education of requirements and reporting. She outlined industry concerns over reporting obligations, compliance versus reporting rates, definition of an automobile, and shredder reporting. Ms. Wiener noted that DOJ guidance is still needed on many issues. She stated that NMVTIS has created significant costs to their industry. She stated batch reporting is needed and asked about the possibility of working with AAMVA on developing the batch option.

Mr. Jim Taylor stated his company (ADD) is built upon assisting private entities (consumers, lien holders, towing companies) to process auto title work. ADD provides these entities real-time, accurate data to assist with a business decision on a vehicle. ADD views NMVTIS as the glue to pull together nationwide data. He sees outreach and education as key as he believes many industries do not know this information is available, for example consumers, state tax/revenue collectors, and banks. Awareness at a grassroots level is important as is the enhancement of data, particularly, theft data. He stated it is necessary to secure broader reporting from towing companies, independent auto dealers, mechanics, and people that deal daily with junk/salvage vehicles. He believes the focus should be on state compliance, and then the prospective purchaser inquiries will increase.

Mr. Jerry Sullivan, American Salvage Pool Association (ASPA) provided an explanation of a "salvage pool." Part of a salvage pool's business is "claims' management" – handling the total loss claim from the time the vehicle is picked up and processed. The other half of the business is vehicle remarketing where they process vehicles for fleets. Concerns include duplicate reporting costs. He stated that NMVTIS costs some of his members up to \$400,000 per year. Additionally, there are gaps in the reporting – specifically, those that do not carry collision insurance or those that are self-insured. ASPA has always looked for opportunities to work more closely with law enforcement. Salvage pools have a great deal of buyer information that state police use regularly.

Mr. Howard Nusbaum stated the National Salvage Vehicle Reporting Program (NSVRP) is a non-profit organization supporting law enforcement and advancing NMVTIS. His organization serves as an independent standards provider and has created standards on salvage reporting and international data sharing between countries. The organization also focuses on education, research and public policy.

Mr. James Owens, CARCO Group: CARCO focuses on risk mitigation to reduce fraud and keep rates low for consumers. CARCO looks for the earliest opportunity with the buying chain to alert a

consumer to a problem. CARCO's vision is to see NMVTIS fulfill its effective mission across many domains for consumers, insurance companies, etc.

Mr. Neil Schuster explained that AAMVA has been around for 75 years and this economy has been very tough for their members. Despite the economy, workload does not change and DMVs must still operate business as usual. He welcomed this committee's efforts to make NMVTIS self sufficient. He looks forward to finding the cost solutions to ease burdens. Additionally, AAMVA hopes stakeholders will provide more and better data into the system.

Mr. Ray Suberlak, Audatex, recommended that at least one insurance company should be on this board. He stated there is a sense that entities are not doing their part to report into NMVTIS and that enforcement is important. Audatex hopes to see a reasonable return from NMVTIS.

Mr. Michael Wilson stated that the Automotive Recyclers Association (ARA) membership consists of 1000 direct members and 4500 members through affiliate organizations. ARA members recycle parts, mostly from salvage auctions. ARA has supported NMVTIS from its inception. Mr. Wilson stated there is disagreement over the terms used and how entities describe or refer to themselves (junk yard versus salvage yard) ARA members would not consider themselves "junk yards." He stated the need for additional reporting options. Mr. Wilson looks forward to working with states to eliminate the need for duplicate reporting. ARA believes DOJ needs to provide strict enforcement and not punish those trying to do the right thing.

Mr. Bernard Brown, has represented clients against fraud for many years and worked with the National Association of Consumer Advocates in 1992. He works with law enforcement and consumer groups (handling civil cases) and teaches attorneys about consumer advocacy. In late 1990's he recognized the importance of getting NMVTIS built and fully implemented. Mr. Brown stated that providers of vehicle history products can be useful if the consumer is aware of their limitations. He believes these products can give a consumer a false sense of security. NMVTIS would be enhanced with additional data, all of the salvage data being reported, states, insurance claims, and fleet data. He expressed hopefulness that the insurance industry will be ready to share the claims data. He sees NMVTIS as a product that will improve with additional data sources. He believes priorities should be: 1) getting NMVTIS fully implemented, completing the enhancements, and obtain full participation and, 2) encourage consumer groups to promote NMVTIS. The consumer demand would create the critical mass that will address the financial concerns that have been raised today.

Ms. Karen Grim stated Virginia DMV is aware of data entry inaccuracies. She believes it is essential to have standardized data formats (e.g. vehicle makes, title numbers.) Ideally, manufacturers certificate of origin (MCOs) would be entered at the start so subsequent "touches" can rely on that automated data. Virginia hopes to have an interface for state records regarding a vehicle's "death" information. Ms. Grim proposed a value-add for consumers relative to the Service Members Relief Act that states if someone tows a vehicle that is owned by an active member of the military it cannot be sold. She stated a challenge is verifying owner information so having owner information in NMVTIS is beneficial.

Colonel Van Guillotte from the Oklahoma Department of Public Safety stated he has learned a great deal about NMVTIS thus far. He believes a key point is educating law enforcement agencies about the NMVTIS tool as stolen vehicles are often connected to organized crime and terrorist acts. He stated that reductions in forces and furloughs are struggles that many law enforcement agencies are facing.

Mr. George March, Regional Information Sharing Systems (RISS): He has also learned a great deal about NMVTIS today. RISS has been in place since 1970, funded by BJA. It operates 6 centers that cover all 50 states Canada, member agencies in England, Australia, and US possessions and territories. Many agencies within the federal government that have law enforcement responsibility are members of RISS. He described the Automated Trusted Information Exchange which includes NMVTIS. RISS is curious about who is conducting specific transactions within NMVTIS and would find this useful information to capture and access.

Detective Chris McDonold with the Baltimore County Police Department also represents the International Association of Auto Theft Investigators (IAATI). He has been involved with auto theft investigations for 15 years, and believes NMVTIS is invaluable in combating vehicle cloning and having successful prosecutions. IAATI has more than 3,400 members worldwide, consisting of auto theft investigators, insurance companies and private industry. IAATI's members are not aware of how to get access to NMVTIS. Detective McDonold welcomed the opportunity help communicate that process. He committed to preparing a letter for publication to IAATI's monthly e-newsletter as well as their hardcopy publication.

Ms. Judy Fitzgerald stated the National Insurance Crime Bureau (NICB) is a national not-for profit organization supported by 1,100 insurance company members, representing about 95% of the market. Her organization is known as the bridge between law enforcement and the industry. Ms. Fitzgerald stated three issues: 1) any data enhancements/changes/additions to the NMVTIS Rule, NICB and its members would like to provide input. NICB and ISO would be jointly responsible to ensure that members are aware of any changes that may be made; 2) gaps in the system need to be rectified as well as data redundancies, and 3) NICB can be helpful to bring about public awareness of NMVTIS benefits, especially for consumer use and investigative aspects. NICB runs a series of public awareness campaigns and views the promotion of NMVTS as a fit in these campaigns. She reiterated NICB's support of NMVTIS.

Ms. Lynne Judd outlined Wisconsin DMV's history with NMVTIS and their current status as a fully participating state. She agreed there are challenges to data integrity and a need for standards and definitions. Ideally, there will be one vehicle, one title, and one state of record for every vehicle in NMVTIS. As state data in NMVTIS increases it is easier to defend the level of effort and cost to implement NMVTIS. She stated opportunities exist to leverage the system beyond those initial benefits to improve how DMVs do business. For example, a state would be able to download electronically from NMVTIS information that a state currently receives manually, adding greater integrity to the data. Another opportunity is e-titling; many cross-state transactions could be streamlined and business made more efficient with NMVTIS.

Mr. Phillip Brady, from National Automobile Dealers Association (NADA), represents the retail industry with approximately 18,000 dealers. Current economic challenges have resulted in decreased car sales (17 million in 2005 to 10.4 million in 2010.) NADA appreciates DOJ's efforts to fully implement NMVTIS; NADA has supported NMVTIS and its mission as well as the strengthening of the data set to include CARS data and total loss data. NADA supports NMVTIS' efforts to protect consumers, including dealers. NADA would like closer coordination and collaboration with state dealers associations and state DMVs.

Mr. John Giknis stated Insurance Services Office Claim Services, Inc. (ISO) is a data repository for the insurance industry. He outlined that the goal of ISO's involvement as a data consolidator is to ensure 100 % participation. He expressed the importance of insurance companies knowing NMVTIS reporting requirements. Mr. Giknis suggested that a solution to enhance data accuracy was to move toward electronic reporting and eliminate the manual process.

In closing, Mr. Terp summarized the key points that he heard from this session:

- the cost of the system affects everyone
- a need to increase awareness of the system to law enforcement, reporting entities and consumers.

He emphasized the need to promote the message about the value of NMVTIS and asked the group to generate recommendations on how to promote NMVTIS.

NMVTIS Funding: Revenue and Costs

Ms. Huntoon provided an overview of the key statutory and regulatory NMVTIS funding requirements. (See presentation for details.)

Mr. Schuster was asked to discuss NMVTIS Revenue and Costs. Mr. Schuster shared AAMVA's financial commitment to NMVTIS.

Mr. Marc Saitta, Chief Financial Officer, AAVMA, was asked to present a financial overview of NMVTIS. (See presentation for details.) Mr. Saitta stated AAMVA's goal is to ensure that financial data provided is useful.

Mr. Nusbaum asked how the data center costs are captured. Mr. Guiot explained that the data center costs are NMVTIS while there are also server costs that are also NMVTIS. Mr. Nusbaum commented that states receive a benefit from NMVTIS and that it seems to make sense to charge the state's user fees. Mr. Saitta confirmed that states are required to pay for the system along with other users.

Mr. Saitta explained that the costs have been reviewed internally at AAMVA and believes next year, AAMVA will be in a much better position. There was further discussion about states and confirmation that for the current year a DOJ grant for NMVTIS implementation costs covered states user fees.

Mr. Nusbaum raised the question regarding the scope and authority of this committee. Ms. Huntoon stated the Board's role is to advise BJA on how the system can be self sustaining. Mr. Terp indicated that the committee needs to gather more information from both AAMVA and BJA on revenue and costs.

Ms. Judd requested clarification on the costs to reporting entities. Ms. Wiener described the fees paid by her constituency, ISRI members: per vehicle fees charged by third party data consolidators, cost to process the data and additional costs to change or purchase systems that would allow for data transmission. The impact on ISRI members varies as members range from smaller operations to large, multi-national corporations. Mr. Sullivan referenced the hard cost associated with paying the data consolidators. Data is already contained in existing inventory management systems; the issue is the additional monies to consolidators. There was discussion and clarification over reporting requirements by junk/salvage yards and recyclers. Ms. Huntoon explained the requirements of the regulations for entities to report the disposition of the vehicle when it's received into inventory; if this is not known, entities are required to submit a report once the disposition is known.

Mr. Terp mentioned that given the discussion it is important that the group develop a proper understanding of terminology to ensure that we are all speaking about the same things.

Mr. Taylor would like the Board to examine overall system costs, not just the system operator costs. He recommended reviewing all costs (including those of the data consolidators). Ms. Wiener acknowledged AAMVA's effort to launch a direct reporting service and wondered how much it would cost to support batch direct reporting. She indicated that depending on the costs it may be possible to secure funding for the software change to allow direct batch reporting.

Ms. Cameron provided an explanation of reporting complexities. There is a level of customer support necessary to troubleshoot and that cost must be considered. Mr. Guiot agreed costs will continue to increase as more components are added.

There was further discussion about capturing the manufacturer certificate of origin (MCO.)

Mr. Nusbaum asked about Board authority and Ms. Huntoon restated they have authority to make recommendations to DOJ regarding system efficiencies, funding, and technology.

Mr. Ray Suberlak suggested there was a need to develop a business model that would pass on costs to the system beneficiaries (consumers, states, insurance industries, dealers, lenders, etc.)

Mr. Terp stated these board discussions are critical to making useful recommendations to BJA.

Public Comments

Members of the public in attendance were given time to make comments. Kerry Bentfield (APSA) asked about the need for clarification of the final rule on what is the definition of “good faith qualified appraisal.” Ms. Huntoon stated this is guidance the DOJ is working on issuing to the field. **The meeting adjourned at 4:30 p.m. EST.**

NMVTIS ADVISORY BOARD MEETING

Meeting Summary

Day Two: June 23, 2010

Welcoming Remarks and Introductions

The NMVTIS Advisory Board meeting reconvened at 8:30 a.m. EST on June 23, 2010, led by Greg Terp, Board Chair.

Ms. Huntoon, DFO, called the meeting to order and reminded participants that the meeting is being recorded. She reviewed changes to the agenda.

Ms. Cameron provided logistical information regarding expense vouchers.

Mr. Terp thanked everyone for yesterday's discussions and reiterated the agenda was designed to focus on educating the committee on NMVTIS' progress. He asked each member to share one task they believe this group should accomplish. Mr. Nusbaum requested time on the agenda to provide further information regarding costs.

Brainstorming Session: Promotion and Outreach

Mr. Terp led a discussion asking Board members to develop a list of NMVTIS stakeholders. The stakeholders identified were:

- The general public
- Insurance industry
- State DMVs
- Financial services institutions
- Junk and salvage yards
- Auto recyclers
- Dealers
- Vehicle remarketers
- Auction companies
- Vehicle transporters
- Vehicle manufacturers
- Towing and wrecker operators
- Exporters
- Government law enforcement entities (local, state, federal)
- Rental fleets
- Private fleets

Mr. Terp clarified that the key is to have a consistent message. He would like to identify groups that would use, benefit, or contribute to NMVTIS. He acknowledged that the list of stakeholder groups is long and the Board should initially identify a "core" group. He restated the Board goals as outlined in the Operating Procedures:

- implement a system that is self-sustainable with user fees
- identify options for alternative revenue-generating opportunities
- determine ways to enhance the technological capabilities to increase its flexibility

- identify options for reducing the economic burden on current and future reporting entities and users of the system.

Mr. Owens proposed determining priority by establishing two groups: 1) those that directly benefit from NMVTIS and 2) those that may indirectly benefit from NMVTIS. Both groups pose different outreach challenges.

Mr. Schuster highlighted the need for a marketing strategy and budget. Board members agreed that NMVTIS was a valuable product but needed to be better marketed.

The Board discussed messaging strategies. Mr. Owens asked about consumer marketing costs to raise both awareness and use of NMVTIS and suggested that such steps may place NMVTIS in competition with the other commercial products. Ms. Huntoon reiterated that NMVTIS was never intended to compete with those products and DOJ has stated this publicly on several occasions. By federal statute, NMVTIS was intended to provide specific pieces of information. She reminded the group that BJA is looking to the Board to provide recommendations on how to raise the awareness of NMVTIS and its value to multiple users. Ms. Huntoon expressed DOJ's commitment to working with private vehicle history providers.

Mr. Terp stated that awareness is linked to sustainability. The Board needs to look at both long- and short- term strategies to make the system viable. He reiterated the need to understand the true cost of the system. Mr. Terp asked the group to identify the key message that should be communicated about NMVTIS.

Mr. Brown suggested that over time with system enhancements, full reporting and state participation, consumer use will increase. He raised concerns about the limits of what information is currently available in NMVTIS. Mr. Terp suggested this Board recommend that DOJ continues to make this system a top priority. The Board members supported his proposal.

Ms. Grim agreed with Mr. Terp's position on message. However, she stated concerns over data quality issues. Mr. Brauch offered to create a consumer advisory group that informs consumers that you cannot rely on any one source for information on a vehicle, but to check NMVTIS.

Mr. Owens suggested conducting analytics to better understand the problem. NMVTIS data is complex and is a challenge for this group - how do you present a simplified accurate message about the information available through NMVTIS? He also believes that the message to consumers needs to be that multiple vehicle history reports should be checked. Mr. Brown again cautioned about the current limits of the system. Mr. Sullivan agreed there is a need to ensure data accuracy. Mr. Brauch stated consumers have a false sense of security with vehicle history reports.

Mr. Terp asked the group to review the list of stakeholders and suggest potential outreach to each. Ms. Judd expressed concern about this Board's ability to determine how to market until there is clarity as to why the stakeholder would need the product. Mr. Taylor believes the public (as stakeholders) are the most complex; he suggested that the Board focus first on a less complex group, such as the data providers. Mr. Suberlak suggested the focus be law enforcement. Mr. Brauch suggested that a priority should be updating all publicly available information on NMVTIS.

Mr. Terp would like to identify stakeholder groups where initial outreach efforts can begin. Ms. Wiener suggested the recycling industry and that ISRI can assist getting the message out to members. However, she stated confusion exists regarding reporting requirements for crushed or flattened vehicles. Providing her members with official DOJ guidance on this issue will facilitate messaging to her members.

Break

Mr. Terp thanked the members for submitting recommendations on the tasks that will be covered in the final session. He then asked Ms. Cameron to walk the group through the listing of issues that were compiled from the member's remarks on the first day.

Prioritization of NMVTIS Issues

Ms. Cameron handed out a list of the issues and concerns that were discussed previously. (Please see Attachment A.)

The members had a discussion regarding prioritization of the issues and concerns. Each member was given an opportunity to express their beliefs about what should be at the top of the list. The result of the discussion was the following listing of priorities; data accuracy, identification and closure of data gaps; system self sustainability; costs of the system to all stakeholders; stakeholder awareness and outreach; and enforcement and compliance. In addition, the Board concurred there was a need for continued education on terminology and costs. Mr. Taylor added customer access to stolen vehicle status should also be a priority. Mr. Terp agreed that it was an important enhancement. Ms. Huntoon suggested the term “consumer” should also be addressed as part of the discussion on terminology.

Ms. Wiener suggested the formation of a sub-group that would create a process chart to illustrate the life cycle of a vehicle and the various reporting points. Mr. Nusbaum offered that NSVRP had created something similar. Mr. Nusbaum also suggested that some of the Board members join together to develop inputs that could help with the NMVTIS consumer products.

Observer Comments

Members of the public in attendance were given time to make comments.

Mr. Steve Levetan, Senior Vice-President, Pull-A-Part, LLC, is a used auto parts retailer. His company reports hundreds of “end of life” vehicles to NMVTIS; these are purchased as scrap and not resold. He fully supports NVMTIS but has concerns. He stated the need for a direct, no-cost batch upload option. He believes the idea of charging fees is contrary to the NMVTIS regulations. He agrees with fair, even, and consistent enforcement.

Mr. Levetan explained how entities receive vehicles and how they are transferred to shredders. He suggested that the annual certification process that is working for the Department of Transportation’s CARS program could work here. Lastly he is concerned that pre-1981 vehicles are not being reported to NMVTIS and that some 17 character VINs are being rejected and therefore not reported.

Board Discussion

Mr. Nusbaum revisited the discussion regarding reporting costs. He mentioned the NSVRP voluntary reporting program through ISO and its fees. Ms. Wiener commented that a reason why some of the reporting programs are not being used is because it requires reporting more information than the regulations require.

Mr. Terp requested that all materials that members wish to share among themselves should be provided to the Chair and the DFO to ensure transparency. Mr. Owens reported on vehicles he was tracking and determined that older model vehicles (1981 and older) represented less than one percent of the total population.

Assignment of Tasks

During Day One, members submitted potential Board tasks. Ms. Huntoon read them aloud (Please see Attachment B.)

Mr. Terp stated these suggestions reflect some of the issues that the committee discussed over the two days. He indicated that the committee needed more information to determine which tasks to undertake. He identified the following activities or requests for additional information for the Board to

have or consider at the next meeting. After further consideration and discussion, the Board can make informed recommendations to BJA on various issues.

- Review detailed expenditure reports (including prior years and future projections)
- Review budget and projected timeline for NMVTIS enhancements
- Report from stakeholders on per participant costs
- Define commonly used terms. Mr. Terp asked members to share such terms with either him or the DFO prior to the next meeting.
- Create data standards and definitions
- Identify value of NMVTIS to each stakeholder and the type of promotion required
- Identify upcoming meeting dates for members to promote/present on NMVTIS
- Junk, salvage and insurance entities: Mr. Giknis described ISO outreach efforts when the rule was published to raise awareness; perhaps a similar approach could be considered for the junk, salvage yards? Mr. Terp asked Mr. Giknis to submit his proposal to Ms. Huntoon.
- Develop a standard/generic NMVTIS presentation
- Write a brief Board meeting summary including key points.
- Review www.NMVTIS.gov website
- Send presentations and other materials shared to Ms. Huntoon for the official file.

Is there financial support for the Chair or the DFO to attend and participate in national or state meetings? Mr. Terp expressed a commitment that all efforts will be made to provide support where possible; Ms. Huntoon indicated there is no specific budget for this committee and that the BJA travel budget is also very restricted. However, BJA will make all efforts to support outreach efforts.

Mr. Terp asked AAMVA to explore the feasibility of addressing the requirements of the Service Members Relief Act that Ms. Grim raised.

Next Meeting and Closing

Next meeting date: October 7-8th, 2010, in the DC Metro area.

Mr. Terp asked each member to provide final comments on the proceedings. The members indicated that the meeting was a very positive step. It helped to further highlight the complexity of the system and it afforded an excellent opportunity for good dialogue. To see the issue from another perspective was viewed as very encouraging. The education aspects of the meeting were seen as extremely important for all stakeholders. They expressed appreciation to the Department of Justice on creating the advisory board and for Mr. Terp's leadership and task mastering.

Mr. Pat McCreary, BJA, provided some closing remarks. As the founding members of the NMVTIS Advisory Board (NAB) under Federal Advisory Committee Act (FACA) he shared the maturity process that the members of Global (another FACA) have gone through to a point where they understand that they are able not to *make* policy but to make policy better. He described some of the successes that Global has had over the years. He provided these examples to illustrate that when groups form and begin working together, it is amazing that even the smallest idea has the potential to grow and have national impact. He thanked the BJA and AAMVA staff as well as Mr. Terp for all of their efforts.

Mr. Terp and Ms. Alissa Huntoon thanked all committee members and presenters for their participation. Ms. Huntoon adjourned the meeting at 11:30 AM.