



**For Immediate Release
August 1, 2008
MEMA-DC PR 08-08**

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MEMA, HDMA Applaud Introduction of Safety Technology Tax Credit Bill

Washington, D.C. – The Motor & Equipment Manufacturers Association (MEMA) announced its strong support of a bill introduced today by Sens. Debbie Stabenow (D-Mich.) and George Voinovich (R-Ohio) which would provide a tax credit to commercial vehicle purchasers when they buy vehicles with certain safety equipment installed. Additionally, Sen. Elizabeth Dole (R-N.C.) signed on to the measure as an original co-sponsor. The bill, S. 3428, is a companion to H.R. 3820, introduced last October by Reps. Mike Thompson (D-Calif.) and Ron Lewis (R-Ky.)

Specifically, the bill would 1) provide a tax credit equal to 50 percent of the cost of a qualified system, up to \$1,500; 2) allow a total credit of up to \$3,500 per vehicle; 3) limit the qualifying taxpayer to a maximum credit of \$350,000 per taxable year; and 4) extend credit eligibility for the purchase of school buses, intercity buses and vehicles used in commerce weighing over 26,000 pounds.

“This bill and the bill pending in the House are logical next steps to a 2006 report mandated by Congress which identified technologies that would help reduce the number of accidents and fatalities involving heavy duty vehicles,” said Bob McKenna, MEMA’s president and CEO. “We strongly support this measure and look forward to working with lawmakers to move it forward.”

“Our members thank Senators Stabenow, Voinovich, and Dole for their introduction and support of this key legislation,” said Tim Kraus, president of the Heavy Duty Manufacturers Association. “We believe that offering tax credits will spur the purchase of these technologies and help improve the safety of the nation’s heavy duty vehicles as well as our roads and highways.”

"This legislation will help prevent dangerous accidents and ultimately save lives," said Senator Stabenow. "It is critical that we encourage better safety equipment in heavy duty vehicles, and this bill is a good first step. We have now identified the technology necessary to reduce accidents, and supporting the utilization of this vital safety equipment will help protect everyone who travels our nation's roads."

"This legislation will help keep Ohioans safe on the roads while creating new, good-paying jobs," Senator Voinovich said. "With thousands of manufacturing jobs leaving Ohio every year, I'm doing everything I can to help jumpstart our economy, and this bipartisan bill will help move us in the right direction."

According to the Department of Transportation, almost 5,000 individuals were killed and approximately 100,000 were injured on our nation's highways in accidents involving heavy duty vehicles in 2006. The Federal Motor Carrier Safety Administration (FMCSA) and the National Highway Traffic Safety Administration (NHTSA) have identified rear end collisions, side swipe accidents, and running off the road or out of the lane as the critical event that caused over 60 percent of these accidents. Brake problems were factors in 30 percent of these crashes. In March of 2006, FMCSA and NHTSA released *The Large Truck Crash Causation Study*, which identified existing safety technology, including collision warning, lane departure warning, and blind spot warning systems; vehicle stability systems; and brake stroke monitoring systems, all which will address these types of crashes.

MEMA represents motor vehicle parts suppliers, the nation's largest manufacturing sector which directly employs 783,100 U.S. workers and contributes to 4.5 million private industry jobs across the country. Suppliers manufacture the parts and technology used in the domestic production of more than 11 million new cars and trucks produced each year, and the aftermarket products necessary to repair and maintain more than 247 million vehicles on the road today. MEMA supports its members through its three market segment associations, Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), and Original Equipment Suppliers Association (OESA). For more information on the motor vehicle parts supplier industry, visit www.mema.org or www.automotivesupplier.org.

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