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MANHEIM  
AUCTIONS  
6205 PEACHTREE DUNWOODY RD.  
ATLANTA, GEORGIA 30328

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OFFICE  
DEFECTS INVESTIGATION

May 8, 2002

Jackie Glassman, Administrator  
The Office of the Administrator  
NOA-01 Room 5220  
400 7<sup>th</sup> Street S.W.  
Washington, DC 20590

Dear Jackie,

I hope all is going well for you, and have enjoyed watching your progress in heading up NHTSA.

I am writing this letter as chair of the NAAA Legislative Committee, although wearing my hat as a Manheim Vice President, I can tell you Manheim supports my proposal fully.

I'm sure you are aware of the many problems we all face with motor vehicles imported from Canada. Our industry is certainly aware of the limited resources NHTSA has to use in policing Canadian imports and evaluating the documentation from registered importers necessary for the issue of bond release letters.

Our industry has always hoped NHTSA would post cleared vehicles on the internet so auctions, dealers and others could quickly ascertain whether a particular vehicle has been legally imported. We understand NHTSA may be considering soliciting bids for such a system, but that funding may be a problem and would like to work with NHTSA to the mutual benefit of NHTSA and industry.

Many of the problems auctions experience are caused by their inability to easily document whether a bond release letter has been issued or the 30 days has run so that a bond release letter isn't required. Since the bond release letter isn't required to be with a vehicle when the vehicle is sold, the absence of the bond release letter doesn't raise a red flag. Auctions are also experiencing many problems as a result of state titling and agencies wanting to know whether the bond release letter has been issued or the 30 days has run, making it legal for the vehicle to be registered and operated on our highways (some states mistakenly think the bond release letter is required before a US title can be issued so the problem is experienced at that point in the process as well in those states).

The National Auto Auction Association and the wholesale motor vehicle auction industry would like to work together with NHTSA on such a project and we believe with industry and government working side by side, we can make this a reality.

*Michael*

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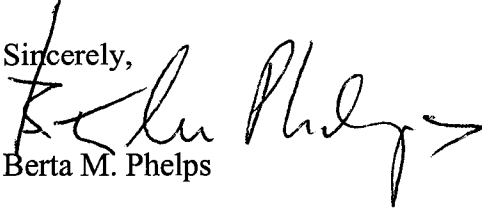
Tim Swift  
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Cincinnati, OH

I'll follow up with you by telephone in a few days or you can call me at 678 645-2113. My work involves a lot of travel, but I regularly check my voice mail.

Thank you for your consideration of this proposal and I look forward to talking with you.

Sincerely,

  
Berta M. Phelps

cc: Chuck Stepter  
Pete Lukasiak  
Ray Nichols  
Jimmy Compton