

OMB Control No. 2127-0573
49 CFR Part 583 – Motor Vehicle Content Labeling

JUSTIFICATION

1. Explain the circumstances that make the labeling of information necessary. Attach a copy of the appropriate statute of regulation mandating or authorizing the labeling of information.

The American Automobile Labeling Act (AALA) requires all new passenger motor vehicles (including passenger cars, certain small buses, all light trucks and multipurpose passenger vehicles with a gross vehicle weight rating of 8,500 pounds or less), to bear labels providing information about domestic and foreign content of their equipment. Part 583 establishes requirements for the disclosure of information relating to the countries of origin of the equipment of new passenger motor vehicles. NHTSA is committed to providing the most accurate and complete information available to its customers, the American traveling public, in a helpful and courteous fashion.

2. Indicate how, by whom, and for what purpose the information is to be used. Indicate actual use of information received from the current collection.

This information will be used by NHTSA to determine whether manufacturers are complying with the American Automobile Labeling Act (49 USC 32304). With the affixed label on the new passenger motor vehicles, it serves as an aid to potential purchasers in the selection of new passenger motor vehicles by providing them with information about the value of the U.S./Canadian and foreign parts of each vehicle, the countries of origin of the engine and transmission, and the site of the vehicle's final assembly.

3. Describe whether the collection of information involves the use of technological collection techniques or other forms of information technology.

This standard requires labeling of new passenger motor vehicles by affected manufacturers. The standard specifies the design techniques that are to be used to produce the required labels. There are three options on how the paper label may appear on the vehicles. The labels are placed in a prominent location on each vehicle where it can be read from the exterior of the vehicle with the door closed, may be part of the Monroney price information label, or part of the fuel economy label. There is 100 percent automation for the labels, and the process involves automation process by electronics. The collection and storage of the labeling information by the manufacturers are accomplished through computers and other electronic devices.

The agency does not receive 100 percent of this information electronically. Primarily, manufacturers send the agency the information that will appear on vehicle labels in written format (hard copy). Forty-five percent of the information is received electronically, with 100% of the label information. We will call manufacturers requesting the information be forwarded to the agency via e-mail or disk to encourage 100 percent manufacturer use of information technology applications for submitting labeling information.

4. Describe efforts to identify duplication. Show specifically why similar information cannot be used.

The information is not required by any other law or standard.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize the burden.

None of the manufacturers involved in this rule is a small business. Furthermore, manufacturers that produce a total of fewer than 1,000 passenger motor vehicles in a model year are exempted from providing the content information.

6. Describe the consequences to the Federal program or policy activities if the collection is not collected or collected less frequently.

If the information were required less frequently, NHTSA would not have current information to evaluate that manufacturers are in compliance with this rule. NHTSA could not effectively respond to inquiries received from Congress, other executive branches, federal agencies, and the public. NHTSA would not have sufficient information to initiate other rulemaking activities, if applicable.

7. Explain any special circumstances that require the information collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.

The information collection is necessary to satisfy a statutory requirement, 15 U.S.C. 1950. Nevertheless, the only inconsistency in this reporting requirement from the guidelines of 5 CFR 1320.6 is in the number of copies required (3 copies).

8. Provide a copy of the FEDERAL REGISTER document soliciting comments on extending the collection of information, a summary of all public comments responding to the notice, and a description of the agency's action in response to the comments. Describe efforts to consult with persons outside the agency to obtain their views.

In response to the notice published in the Federal Register published June 21, 2007, vol. 72, No. 119 page 34348 soliciting comments on extending the collection of information, the agency received two public comments. Comments were received from the Association of International Automobile Manufacturers, Inc. (AIAM) and the Japan Automobile Manufacturers Association, Inc. (JAMA). The JAMA states that it is the trade association of Japan's motor vehicle manufacturers, representing a significant number of the companies directly affected by the continuing burden of AALA's labeling, data collection, and reporting requirements. The AIAM represents 14 international motor vehicle manufacturers. According to the AIAM, fifty-four percent of all vehicles sold in America by AIAM members are produced in the United States.

The JAMA and AIAM address the following questions asked in the Federal Register:

1. Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

JAMA: To the latter, the answer is emphatically “no”, especially in view of NHTSA’s 2001 technical report, “Evaluation of the American Automobile Labeling Act,” showing that AALA has a relatively minor effect on vehicle-purchase decisions.

AIAM: The information that has no “practical utility” and serves no documentable public purpose should not be collect. AIAM stated that the deficiencies in the AALA are so fundamental that repeal of the statute would be appropriate.

2. The accuracy of the agency’s estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used.

JAMA: JAMA believes that the illogical and unsound assumptions of the Act and regulations have led to an inaccurate understanding of the overall administrative burden of complying with the information collection requirements. This burden goes beyond simple cost estimates.

AIAM: AIAM has noted that the calculation methodology specified in the AALA for the parts content percentage results in misleading consumer information. With respect to NHTSA’s estimates of the cost burden imposed by the AALA program, AIAM believes that any amount of money spent in compliance with the requirements of the AALA is unjustifiable.

3. How to enhance the quality, utility, and clarity of the information to be collected

JAMA: JAMA believes the law is fundamentally defective and that, therefore, the information collection cannot be improved within the construct of AALA as it currently exists. There is no need for AALA requirement, since other vehicle content regulations are already in place and provide a far more accurate accounting of origin, e.g. CAFÉ or NAFTA requirements.

AIAM: Among AALA’s many drawbacks is it’s creation of an artificial, inaccurate, and misleading definition of what is “foreign” with respect to the origin of automobiles and auto parts. The requirement for calculation and dissemination of parts content percentages should be eliminated.

4. How to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses.

JAMA: JAMA does not believe that changes in the method of information collection will alleviate AALA’s burdens on respondents.

Part 583 requests specific, complete information on the origin of vehicle equipment, which does not risk the error of extraction from reports used for other purposes.

Vehicle manufacturers are required to comply with this regulation until Congress repeals the statute. Although the commenters criticized the basic requirements of the AALA, any significant changes could only come from the Congress. There are currently no congressional actions in place for this requirement.

9. Explain any decision to provide any payment of gift to respondents, other than remuneration of contractors or grantees.

No payment or remuneration will be provided to any respondent.

10. Describe any assurance of confidentiality provided to respondents.

No issue of confidentiality is involved in this information collection.

11. Provide additional justification for any questions on matters that are commonly considered private.

There are no questions of a sensitive nature involved in this information collection.

12. Provide estimates of the hour burden of the collection of information on the respondents.

Estimate of respondents - 22

Number of responses per respondent – 3

Total annual responses – 66

Annual hours per respondent – 2,522

Total annual burden – 55,484 man-hours (22 x 2,522)

At an assumed rate of \$20 an hour, the annual, estimated cost of collecting and preparing the information is \$1,220,648 (22 x 55,484)

There have been no changes in the requirements since the last approval.

13. Provide estimates of the total annual cost to the respondents or record keepers.

We estimate the total annual cost to the respondents is \$2,467,300. This figure is derived from annual cost information provided by nine manufacturers, which average \$112,150 per manufacturer. Multiplying this average cost by 22 respondents, we arrive at a total cost of \$2,467,300 (22 x 112,150).

14. Provide estimates of annualized cost to the Federal Government.

The annualized cost to the Federal government to review the respondents' reports for compliance, to analyze the information, to distribute reports to NHTSA users, and to control and to store the information is \$16,640 annually or 416 total annual hours (\$40 per hour). The employee works 2,080 annual hours and 20 percent of the employee working hours is devoted to administering and monitoring the program (2,080 hours X 20 percent = 416 hours).

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

Item 13 shows an increase in the annual reporting and recordkeeping hour burden from 47,918 to 55,484 because the number of respondents increased from 20 to 22. Item 14 shows an increase in annual reporting and recordkeeping cost burden from 2,130,850 to 2,467,300 because there will be more responses. The hour burden and cost burden published in the Federal Register are different due to errors in the preliminary information provided.

16. For collections of information whose results will be published, outline plans for tabulation, and publication.

This collection of information will not have the results published for statistical purposes.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Approval is not sought to not display the expiration date for OMB approval.

18. Explain each exception of the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.

No exceptions to the certification statement are made.