

SUPPORTING STATEMENT

FOR

49 CFR PART 542

PROCEDURES FOR SELECTING LINES TO BE COVERED BY THE THEFT
PREVENTION STANDARD (OMB Clearance Number 2127-0539)

A. JUSTIFICATION

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

The Anti Car Theft Act of 1992 amended the Motor Vehicle Theft Law Enforcement Act of 1984 (P.L.98-547) and requires this collection of information. One component of the theft prevention package requires the Secretary of Transportation (delegated to the National Highway Traffic Safety Administration (NHTSA)) to promulgate a theft prevention standard for the designation of high-theft vehicle lines. Provisions delineating the information collection requirements include §33104, which requires NHTSA to promulgate a rule for the identification of major component parts for vehicles having or expected to have a theft rate above the median rate for all new passenger motor vehicles (cars, MPV's, and light-duty trucks) sold in the United States, as well as with major component parts that are interchangeable with those having high-theft rates.

The specific lines and parts to be identified are to be selected by agreement between the manufacturer and the agency. If there is a disagreement of the selection, the statute states that the agency shall select such lines and parts, after notice to the manufacturer and an opportunity for written comment.

The procedures, contained in Parts 542.1 and 542.2 will be applied to those lines introduced before or after the 1997 model year (MY). The agency published amended procedures for Part 542 at 59 FR 21668 on April 26, 1994.

In a final rule published on April 6, 2004, the Federal Motor Vehicle Theft Prevention Standard was extended to include all passenger cars and multipurpose passenger vehicles with a gross vehicle weight rating of 6,000 pounds or less, and to light duty trucks with major parts that are interchangeable with a majority of the covered major parts of multipurpose passenger vehicles. Until this final rule becomes effective, this collection of information will be necessary. All manufacturers effected by this rule will be required to submit its vehicle information.

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

These procedures require (statutorily mandated) that manufacturers apply the relevant criteria to its currently produced and planned vehicles, and submit an initial determination of which of its vehicles should be selected as likely high-theft lines and low-theft lines and lines having a majority of major component parts interchangeable with high-theft lines, together with the factual information considered in reaching that determination. These procedures are required. The statute mandates that manufacturers submit information on new vehicles prior to introduction into commerce. For MY 1997 and subsequent model year vehicles, it is required that this information and supporting data is submitted at least 15 months before introduction into U.S. commerce. Section 33104 states that the selection of lines as high-theft should be accomplished by agreement between the agency and the manufacturers. If an agreement is not reached on the selection, then the agency shall unilaterally select the covered lines.

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

49 CFR Part 542 does not impose any obstacles for automobile manufacturers to use technological collection techniques or other forms of information technology for transmission and storage of the information. The manufacturer may use any form of improved information technology it deems necessary that minimizes the burden as long as the required reports are provided. Manufacturers have chosen to submit this information to NHTSA in hard copy form. However, to increase information technology, the agency will continue to encourage manufacturers to submit this information on computer disks (using NHTSA-approved format), by email format or by the internet.

4. Describe efforts to identify duplication.

This information is not required by any other law or regulation and would not be available without this regulation. No other agency is responsible for collecting information on the theft prevention standard. Without Part 542, the agency would not be able to fulfill the statutory requirements of selecting likely high-theft vehicles. The information needed is not available elsewhere.

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

The agency believes that few, if any, small entities will be affected by this rule. In the agency's estimation, if there is a burden, it is so minor that small businesses should not have any difficulty with compliance. However, the agency is required by statute to collect this information.

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

The submittal of this information (requested by Part 542.1 and Part 542.2) will be a one-time-only submission. If this information is not submitted or an agreement is not met between the agency and the manufacturers, the agency, in accordance with §33104 shall unilaterally select the lines and parts after notice to the manufacturer and an opportunity for written comment.

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

The procedures specified for this information collection are fully consistent with the guidelines set forth in 5 CFR 1320.6.

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 actions in response to the comments. Describe efforts to consult with persons outside the agency to obtain their views.

The agency requested public comment on the extension of the previously approved collection in the Federal Register (72 FR 53619, September 19, 2007). No public comments were received in response to this request.

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

No gift or payment will be given to any respondent.

10. Describe any assurance of confidentiality provided to respondents.

The agency specifically directs the manufacturer's attention to its regulation setting forth

the procedures for claiming confidentiality for information (49 CFR Part 512), and assures manufacturers that every effort will be made to ensure that information which is confidential within the meaning of that regulation will not be disclosed.

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

No questions of a sensitive nature are involved in these data collections.

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

A breakdown of revised Parts 542.1 and Part 542.2 is listed below showing frequency of response burden, and how the burden has been estimated. Currently there are seven manufacturers who produce LTDs that could be subject to the parts-marking requirements. All seven are still active in the U.S. market. On the average, all seven respondents are estimated to respond on an annual basis. Although there have been manufacturers that have merged, some of the manufacturers respond individually irrespective of merger conditions.

Part 542.1 specifies procedures for motor vehicle manufacturers and the agency to follow in the determination of new lines that are likely to have a theft rate above the median rate. This section also provides the manufacturers with notice of their rights and responsibilities during the selection and appeals process.

Estimated annual submittal	1
Average hours per submittal	<u>45</u>
Total annual burden	45 hours reporting

Part 542.2 specifies procedures for motor vehicle manufacturers and NHTSA to follow in the determinations of new lines that will be likely to have a low-theft rate and have major parts interchangeable with a majority of the major parts of a line having, or likely to have, a high-theft rate. This section also provides the manufacturers with notice of their rights and responsibilities during the selection and appeal process.

Estimated annual submittal	0
Average hours per submittal	<u>0</u>
Total annual burden	0
	hours reporting

This is a summary of the reporting burden.

Reporting Burden (hours)

Part 542.1	Procedures for selecting new lines that are likely to have high theft rates.	45
Part 542.2	Procedures for selecting low theft new lines with a majority of parts that are interchangeable with those of a high-theft line.	<u>0</u>
	Reporting Total:	45
	Reporting total for all 7 manufacturers: (7 mfrs. x 45 hrs.)	<u>315</u>

The costs to manufacturers and consumers are discussed in depth in the Preliminary Regulatory Evaluation and the Final Rule dated August 28, 1985. Based on the results of the Attorney General's report on the effectiveness of expanding the auto parts marking requirement, the agency was required to prepare new rulemaking to extend the theft prevention standard. In a final rule published on April 6, 2004, the Federal Motor Vehicle Theft Prevention Standard extended the motor vehicle parts-marking requirements. All passenger cars and multipurpose passenger vehicles (including sport utility vehicles) with a gross vehicle weight rating of 6,000 pounds or less, and light duty trucks with major parts that are interchangeable with a majority of the covered major parts of multipurpose passenger vehicles are subject to the parts-marking requirements.

We estimate that Part 542.1 and Part 542.2 will impose an annual reporting burden of 45 burden-hours at an estimated cost of \$2,568 per manufacturer. \$2,568 divided by 45 burden-hours equals \$57.06 per hour. The cost associated with the burden hours endured by the manufacturers affected is \$18,000 (315 x \$57.06).

13. Provide estimates of the total annual cost to the respondents.

The submissions require no additional costs to the respondents.

14. Provide estimates of the total annual cost to the Federal Government.

Congress estimated that the required activities of the Department of Transportation under the Theft Act would cost the Department approximately \$200,000 annually. H. Rep. No.1087, 98th Cong., 2d Sess. 8 (1984).

The estimated cost incurred by the Federal Government to analyze this information is \$33,040. The number of submittals have decreased based of the number of manufacturers that are now subject to the new parts-marking requirement. This is based on clerical and technical expenses. Note each submittal must be reviewed separately.

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

The hour burden has decreased because there was a decrease in the number of respondents reporting.

16. For collection of information whose results are planned to be published for statistical use, etc.

This collection of data will not have the results published for statistical use.

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 to the certification statement identified in Item 19, "Certification for paperwork reduction act submissions," of OMB Form 83-I.

No exceptions to the certification statement are made.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

This collection of information does not employ statistical methods.

Attachments:

1. USC 33014
2. Anti Car Theft Act 1992
3. 542 Regulation I
4. 542 Regulation II
5. Amendment to 542, 1994
6. Final Rule 2004