

SUPPORTING STATEMENT

A. Justification.

1. The reporting of certain information by junk yard and salvage yard operators and insurance carriers is expressly required by 49 U.S.C. 30504. Each state is required to make their titling information available to NMVTIS. 49 U.S.C. 30503(a). Further, each state is required “to establish a practice of performing an instant title verification check before issuing a certificate of title.” 49 U.S.C. 30503(b).
2. The purpose of NMVTIS is to provide an electronic means for verifying and exchanging title, brand, and theft data among motor vehicle administrators, law enforcement officials, prospective purchasers, and insurance carriers. This information helps state titling agencies by verifying motor vehicle and title information, information on brands applied to motor vehicles, and information regarding whether motor vehicles have been reported stolen. This information will allow law enforcement agencies with access to make inquiries to further their investigations of motor vehicle theft and fraud. This access will allow law enforcement agencies to better identify stolen motor vehicles and enhance their ability to identify vehicle theft rings. The information will help insurance carriers and prospective purchasers to identify fraud.
3. It is anticipated that information reported to NMVTIS will be reported electronically.
4. If the required information is provided to a third party who reports the information to NMVTIS, then the information does not have to be reported again by the junk or salvage yard or insurance carrier.
5. The information that must be reported has been limited to data expressly required by statute and limited other information determined necessary to carry out the purpose of the statute, in particular the law enforcement provisions of the statute.
6. The reporting requirements are prescribed by 49 U.S.C. 30501-30505.
7. Junk and salvage yards and insurance carriers will be required to report on a monthly basis beginning after the final rule becomes effective. Insurance carriers are only required to report on vehicles determined to be a “total loss.” Certain small businesses (those handling less than 5 such vehicles per year) are exempt from reporting such vehicles). Each state is required to make their titling information available to NMVTIS. 49 U.S.C. 30503(a). Further, each state is required “to establish a practice of performing an instant title verification check before issuing a certificate of title.” 49 U.S.C. 30503(b).
8. A 60-day notice was published in the Federal Register as part of the proposed rule. This notice included a full description of the information collection. All comments have been responded to in the final rule, to be published by January 30, 2009.
9. No payments or gifts are made to respondents. States, however, may be eligible to apply for

grants to assist in implementation.

10. The FBI has made no assurances of confidentiality to respondents. Some states, however, may want to limit access to information provided to authorized users of NMVTIS. Personal identifying information will be protected as required under the Privacy Act as well as other relevant federal statutes and the collector will establish a privacy policy that will be approved by the Department of Justice. Confidential business information will also be made available only to law enforcement and state or other government agencies for governmental purposes.

11. The information does not involve questions of a sensitive nature.

12. Estimated Annual Reporting Burden

a. Number of Respondents: 13,051

b. Frequency of Response: 12 (for junk and salvage yards and insurance carriers)

c. Total Annual Responses: 156,000 (for junk and salvage yards and insurance carriers)

d. Hours per Response: The states and insurance companies already are capturing most of the data needed to be reported, and the reporting will be electronic, so the time to respond will be minimal. For junk and salvage yard operators it is estimated that it will take respondents an average of 30 minutes per month to respond.

e. Total Annual Reporting Burden 60,000

13. It is difficult to estimate the total annual cost burden to respondents associated with this information collection. Assuming that 10.5 million cars become junk or salvage vehicles each year and that insurance carriers and junk and salvage yards report on all of these vehicles.

a. Total capital and start-up cost: \$10,485,820

b. Total operation and maintenance and purchase of services: \$1,595,450

14. The information collected for NMVTIS will be collected by the operator and not the Federal Government. Pursuant to 49 U.S.C. 30502(c), NMVTIS is required to be paid for by user fees.

15. This information collection is a new collection.

16. The collection of information will not be published, but will become part of NMVTIS implementing regulations.

17. The information collected likely will be supplied electronically by the respondents and may be automated. Therefore, display of the expiration date may not be possible.

18. The information collected likely will be supplied electronically by the respondents and may be automated. Therefore, display of a valid OMB control number may not be possible.

B. Collection of Information Employing Statistical Methods.

This information collection does not require the employment of statistical methods.