

**Department of Transportation
National Highway Traffic Safety Administration**

SUPPORTING STATEMENT

**CONSUMER ASSISTANCE TO RECYCLE AND SAVE PROGRAM
CONSUMER SURVEY INFORMATION**

OMB CONTROL NUMBER: 2127-XXXX

A. JUSTIFICATION

1. Circumstances that make collection of information necessary. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.*

On June 24, 2009, the President signed into law the Consumer Assistance to Recycle and Save (CARS) Act of 2009 establishing within the National Highway Traffic Safety Administration (NHTSA) a program to be known as the Consumer Assistance to Recycle and Save (CARS) Program. The CARS Act authorizes NHTSA to issue an electronic voucher, subject to statutorily specified criteria, to offset the purchase price or lease price of a qualifying new fuel efficient vehicle upon the surrender of an eligible trade-in vehicle to a registered vehicle dealer. The surrendered trade-in is precluded from further use as a vehicle in the United States or in any other country.

The Act requires the Secretary of Transportation (through NHTSA) to promulgate final regulations to implement the Program not later than 30 days after the enactment date. In addition, it requires not later than 60 days after the termination date of the program, the Secretary shall submit a report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate describing the efficacy of the program. This report is required to include, among other things, an estimate of the overall increase in fuel efficiency in terms of miles per gallon, total annual oil savings, total annual greenhouse gas reductions, and an estimate of the overall economic and employment effects of the program.

In order to determine the actual effects of the program, NHTSA must determine how the program changed consumer behavior. The actions taken by consumers can be directly determined from records of the vehicles traded-in and purchased. However, in order to determine the effects of the program, these actions must be examined in light of what consumers would have done had they not received the monetary incentive offered by this program. The request to collect information sent forth today is necessary to uniquely identify how consumers have altered both the timing of their trade-ins and their selection of new vehicles in response to the financial incentive provided by this program.

2. How, by whom, and for what purpose is the information used. **Indicate how, by whom, and for what purpose the information is to be used.**

The information collected will be used by NHTSA and the Department, its agents, and other government enforcement personnel to accomplish the statutory requirements of the CARS Act of 2009 and regulations implemented pursuant to the Act. In accordance with the Act, the Department will report to Congress the impact the program has had on consumer vehicle choice and its subsequent impacts on fuel economy, fuel consumption, greenhouse gas production, employment, and other impacts on the economy.

The information collected will be used to identify changes in consumer's behavior in response to the financial incentives provided by this program.

3. Extent of automated information collection. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.**

The use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology is fundamental to the proposed collection of information. NHTSA and the Department have sought and will continue to seek automated means to reduce the collection burden, reduce errors, and increase efficiency.

4. Efforts to identify duplication. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in 2 above.**

Where applicable and to the degree possible the Department is utilizing existing collections of data. However, neither NHTSA nor the Department has information relating to how consumers will respond to the incentives provided by this program.

5. Efforts to minimize the burden on small businesses. **If the collection of information has a significant impact on a substantial number of small businesses or other small entities (item 5 of OMB Form 83-1), describe the methods used to minimize burden.**

Many of the new vehicle dealers that will be participating in the Program would be considered small businesses. Consistent with our responsibility to minimize impacts on these entities, dealer involvement is confined to minimal actions of presenting the survey form (NHTSA Form 1075) to consumers and, once it has been filled out, scanning it into a website with the other supporting documentation required to complete the transaction. NHTSA is taking pains to ensure only the minimum amount of information necessary to establish the Program will be collected from small businesses. The use of electronic forms of information technology plays a key role in minimizing the collection of information burden on small dealers.

6. Impact of less frequent collection of information. ***Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.***

This information will be collected once. The Act mandates NHTSA to determine the impact of this program on fuel consumption, greenhouse gas emissions, and other economic considerations. This cannot be accomplished without this information collection.

7. Special circumstances. ***Explain any special circumstances that require the collection to be conducted in a manner inconsistent with 5 CFR 1320.5(d)(2)(i)-(viii):***

NHTSA and the Department do not seek approval to collect information in a manner inconsistent with 5 CFR Sections 1320.5(d)(2)(i) – (viii).

8. Compliance with 5 CFR 1320.8. ***Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and the recordkeeping disclosure, or reporting format (if any) and on the data elements to be recorded, disclosed, or reported.***

NHTSA and the Department have met with other government officials to obtain their views concerning the availability of data from consumer sources and to identify data elements and formats.

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

There is no payment or gift provided to consumers who choose to participate in this survey.

10. Assurance of confidentiality: ***Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.***

The form contains the statement “Your answers are for program evaluation purposes only and will not influence your eligibility in any way.” The survey form (NHTSA Form 1075) will not contain any sensitive personal information that can be traced back to specific individuals. Therefore, we do not believe it is necessary to provide confidentiality assurance on the form. In practice, this information will not be shared by anyone outside NHTSA and its contractors. It will be used only for evaluation purposes only and will be published only as aggregated data that will not allow identification of individual transaction participants.

11. Justification for collection of sensitive information. ***Provide additional justification for any questions of a sensitive nature such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the***

specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

In the collection of information at issue, no information of a sensitive nature will be collected.

12. Estimate of burden hours for information requested. *Provide estimates of the hour burden for the collection of information. The statements should: Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories*

It is important to note that all the information described below will be collected once, so that the CARS Program may be evaluated

Number of Respondents:

NHTSA estimates that there will potentially be as many as 250,000 consumers participating in this program. This represents an average of \$4000 in available incentive funds per customer derived from the \$1 billion funding level. The \$4000 estimate is a simple average of the two available incentive levels of \$3500 and \$4500. The agency does not know how many of these consumers will voluntarily choose to participate in the survey. Some portion, perhaps as many as 10%, will complete transactions prior to the July 24, 2009 date when the final rule is published and the reporting form becomes available online. Thus, NHTSA believes the maximum number who would participate is roughly 225,000. Participation rates in “captive audience” surveys are typically in the 75-85% range. We conservatively estimate a 75% participation rate or 168,750 completed surveys.

Information from Dealers - NHTSA estimates that there will be no more than 19,700 dealers that will respond to the collection of information and that there will be two persons (on average) at each dealership authorized to participate in the CARS Program, for a total number of 39,400 dealer authorized employees. However, dealer participation in this aspect of the survey is confined to presenting the survey to consumers, scanning the completed form, and forwarding it with other information to a NHTSA website. We note that the industry is currently undergoing a restructuring due to the economic crisis and that the number of dealerships involved may shrink from the level we cite here.

Estimated Burden on Respondents:

Consumers - NHTSA estimates that the average consumer will spend 2 minutes answering the 3 questions included in the survey (NHTSA Form 1075).

Dealers - NHTSA estimates that it will take each dealership 1 minute to facilitate this survey (NHTSA Form 1075) by providing it to the consumer and by adding it to the package of documents that will be scanned into the NHTSA website.

Estimated Total Burden:

Consumers – NHTSA estimates that the total time burden on consumers for this voluntary survey will be 5,625 hours. This represents an average of 2 minutes per survey for the 168,750 consumers who may choose to participate.

Dealers – Dealers will provide the survey form to consumers and scan it to the NHTSA website regardless of whether the consumer chooses to participate. Therefore, NHTSA estimates the total burden for dealers would be 3,750 hours, or 1 minute /transaction for the 225,000 transactions that are estimated to occur after July 24, 2009.

Total Burden - The total burden hours are estimated to be 9,375 hours for both consumers and dealers.

13. Estimate of total annual costs to respondents. *Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.*

In its estimates, NHTSA assumes that the vehicle dealers already own the computer hardware and software necessary to fulfill this collection of information. None of the information to be collected involves statistics or complex analytical techniques or other methods that would involve sophisticated software.

Consumer's Costs – There are no direct dollar costs to consumers from their voluntary participation in this program. NHTSA anticipates that consumers will fill out the questionnaire while dealers are preparing the normal paperwork associated with a new vehicle transaction. This would therefore not extend the length of time required for the transaction, and would present no real opportunity costs or wage losses to consumers.

Dealers' Costs - The average hourly earnings of retail sales workers in automobile dealerships is \$17.13 (2008\$). This data is from the U.S. Bureau of Labor Statistics. <http://www.bls.gov/iag/tgs/iagauto.htm#earnings>. For the 3,750 burden hours, the total dealership cost would be \$64,238. These costs occur over the roughly 3 month life of the program between July 24, 2009 and November 1, 2009. They are not recurring annual costs. Dealers will also incur an insignificant cost, perhaps \$0.01/form, to print out a copy of the survey to give to consumers and to scan the survey form to the NHTSA web site.

Total Costs – Total costs would be the dealer's cost of \$64,238.

14. Estimate of cost to the Federal government. ***Provide estimates of annualized cost to the Federal Government.***

The Federal government will incur costs to create a data base from the survey forms and to cross-reference this data base with the other information collected for each transaction. This will require one data entry clerk, one document analyst, and 2 operations managers. The system will be built using the ORACLE software application. The total cost to the Federal government of collecting and processing this survey is estimated to be \$125,500. A breakdown of the estimated costs including hours and wage rates is as follows:

Task	Monthly Hours	Months	Hours Total	Rate (2009)	Previous Rate (2006)	Total
Data Entry Clerk	1696	3.5	5937.5	\$18.03	\$17.00	\$107,053.13
Document Analyst	100	3.5	350	\$37.45	\$35.30	\$13,107.50
Operations Manager I & II	20	3.5	70	\$60.59	\$57.12	\$4,241.30
Software Application (ORACLE)						\$1,098.00
Contractor Total						\$125,499.93

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

This collection of information is associated with a newly established Program.

16. Publication of results of data collection. ***For collections of information whose results are planned to be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.***

This collection of information will allow NHTSA to determine the impact this program had on consumer behavior. The results will be used to estimate the impacts of these changes in fuel consumption, greenhouse gas emissions, employment, and other economic impacts. Information will be collected for transactions taking place between the publication of the final rule on July 24, 2009, and the end of the program on November 1, 2009. The results of this analysis will be published as a Report to Congress. Completion of this report is required within 60 days of the end of the program, or January 1, 2010.

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

NHTSA does not seek approval to not display the expiration date for OMB approval for the collection of information.

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

There are no exceptions to the certification statement.