

DRAFT

SUPPORTING STATEMENT

FOR

INFORMATION COLLECTION REQUEST

Focus Group and Consumer Survey Research for Improving Fuel Economy Label Design
and Content

EPA ICR 2343.01

February, 2010

Compliance and Innovative Strategies Division
Office of Transportation and Air Quality
Office of Air and Radiation
U.S. Environmental Protection Agency

Part A

1. Identification of the Information Collection

(a) Title of the Information Collection

Focus Group and Consumer Survey Research for Improving Fuel Economy Label Design and Content

(b) Short Characterization/Abstract

This is a request to conduct focus group and consumer survey research for the Environmental Protection Agency (EPA). As required under the Energy Policy and Conservation Act (EPCA), EPA has promulgated regulations which specify the design and content of fuel economy labels that are affixed on the windows of all cars and light trucks sold in the U.S.¹

EPA is responsible for developing the fuel economy labels that are posted on window stickers of all new light duty cars and trucks sold in the U.S. and, beginning with the 2011 model year, on all new medium-duty passenger vehicles (a category that includes large sport-utility vehicles and passenger vans).

In 2006 EPA updated how the window sticker fuel economy values are calculated to better reflect typical real-world driving patterns and provide more realistic fuel economy estimates. Since then, increasing market penetration of advanced technology vehicles, in particular plug-in hybrid electric vehicles and electric vehicles, will require new label metrics and presentation to effectively convey information to consumers. EPA has initiated a rulemaking action that will amend the way in which fuel economy estimates are calculated and/or displayed, for both conventionally fueled vehicles and advanced technology vehicles.

EPA plans to conduct a limited set of voluntary focus groups and consumer surveys to solicit information from a diverse group of consumers regarding what information displayed on the fuel economy label will best serve the intended purpose of providing consumers with useful and meaningful information about the fuel efficiency of the vehicles they are considering purchasing.

EPA is planning on three “phases” of focus groups. This information collection request is for the first phase of focus groups taking place at the end of February and early March of 2010. Each phase will have a different focus but together we will be testing consumer comprehension and reaction to different fuel and environmental information and label displays. The result of these combined groups will increase EPA understanding of which potential label metrics, information and overall label displays present information in a more understandable and compelling manner. The first phase is exploratory in nature only and will gather initial information on consumer understanding and use of the current

¹ See 49 U.S.C. 32908(b).

fuel economy label and the importance of various information on today's label. This phase will also obtain consumer reaction to including new information on future labels for conventionally fueled vehicles. Specifically, consumers will consider various ways of presenting fuel economy and fuel consumption, fuel cost, environmental performance, and other factors. The second phase will focus on determining the best information and presentation approaches for labels designed for advanced technology vehicles. The third phase will ask consumers to assist in developing the most effective and compelling presentation for the overall label. In addition to the focus groups, EPA will undertake an on-line survey of a national sample of recent new car buyers using the American List Counsel Milestone Automobile Ownership Register. This research tool will help EPA assess in a more quantitative manner consumer comprehension and reactions to the different fuel label information /metrics and label displays tested in the focus groups.

2. Need for and Use of the Collection

(a) Need/Authority for the Collection

The consumer survey and focus group research information is needed by EPA to assist the Agency in determining the design and content of fuel economy labels that will be understood, most useful as well as compelling to prospective car buyers.

(b) Practical Utility/Users of the Data

The consumer survey and focus group research will be used by EPA to better understand what information displayed on the fuel economy label – especially with respect to advanced technology vehicles – will be most useful and understandable to consumers and will allow them to easily determine the most fuel efficient and least polluting vehicle that meets their needs. The first phase is exploratory in nature and phases 2 and 3 will include test concepts after consultation with DOT , FTC, and DOE (as required under EPCA and EISA).

3. Non-duplication, Consultations, and Other Collection Criteria

(a) Non-duplication

EPA is not requesting information that is anyway duplicative of other information being collected by any other entity. EPA has discussed the recent labeling effort with DOE, DOT, and FTC and is not aware of any duplicative information collection. DOE conducted some online focus groups in the last year regarding the presentation of information on www.fueleconomy.gov, some of which was informative to EPA's program, but not duplicative. The FTC does occasional consumer labeling research, and EPA is consulting with FTC to understand the implications of their research, but FTC is not collecting information related to fuel economy. DOT has certain statutory labeling requirements, and EPA is coordinating closely with DOT regarding these requirements and this information collection request.

(b) Public Notice Prior to Submission to OMB

EPA solicited public comment as required by the Paperwork Reduction Act via a Federal Register notice published on December 2, 2009.

(c) Consultations

In conducting the focus group research, EPA has met on numerous occasions with automotive manufacturers. Many of those discussions have focused on labeling of advanced technology vehicles, but many have also touched on broader label design options. In EPA's recent light-duty vehicle greenhouse gas rulemaking EPA specifically notified stakeholders of the intent to engage in a rulemaking that would revise the fuel economy label, and several stakeholders provided comments. EPA expects to continue meeting with stakeholders to get their views.

(d) Effects of Less Frequent Collection

Not applicable. This is a one-time collection effort.

(e) General Guidelines

The information collected under this action adheres to OMB's general guidelines for information collections.

(f) Confidentiality

Resulting reports from the market research will not be considered confidential. The identity of participants will be confidential.

(g) Sensitive Questions

No sensitive questions will be asked. The collection complies with the Privacy Act and OMB Circular A-108.

4. The Respondents and the Information Requested

(a) Respondents/NAICS Codes

In general, respondents will consist of randomly selected citizens. Some screening may be done to ensure that the respondents may have some familiarity with fuel economy and fuel economy labels. For example, respondents could be randomly selected from records of people who have recently purchased a vehicle. The focus groups will be conducted in more than one location to prevent geographical bias. All phases of focus groups will be conducted in the following four cities: Seattle, Washington; Charlotte, North Carolina; Houston, Texas; and Chicago, Illinois.

(b) Information Requested

(i) Data items

Focus group participants will be selected from recent new car buyers, and will explore the following topics:

- Vehicle buying process and the role of fuel economy information in that process
- Consumer comprehension and reactions regarding different liquid fuel metrics (i.e., economy vs. consumption)
- Consumer comprehension and reactions regarding different fuel cost metrics
- Consumer comprehension and reactions regarding environmental performance metrics
- Exploring the most effective communication of label metrics for PHEVs and EVs

Groups will be asked about their car-buying process and the role of fuel economy, what they know and understand about the EPA fuel economy label, and the usefulness of the label in its current form. They will be asked about how the label could be improved, and the groups will explore the possibility of displaying more information on the label, such as a fuel consumption metric (e.g., gallons per 100 miles) and an environmental performance metric (e.g., greenhouse gas emissions score, rating, or performance). Groups will also discuss advanced technology vehicles such as plug-in hybrid electric vehicles and what the label should display in order to be most helpful to consumers. The focus groups participants will be asked to complete a brief (12-15minutes) online survey prior to the convening of the group to establish some baseline information.

(ii) Respondent Activities

Pre-focus group surveys would be designed to take a respondent no longer than 15 minutes. Focus groups conducted would generally take no longer than 2 hours per group. EPA is allotting an additional 2.5 hours per respondent for travel and telephone screening.

5. The Information Collected--Agency Activities, Collection Methodology, and Information Management

(a) Agency Activities

In coordination with the contractor, the Agency will review and analyze the information collected and develop a final report. Upon completion of the final report, it will be distributed to interested parties. EPA would use the information collected as an aid to determine the final content and format of proposed new fuel economy label.

(b) Collection Methodology and Management

The focus groups will be recorded audibly and video-taped. In addition, the contractor moderating the groups will take notes. The recorded information will be used by the contractor to develop a final report.

(c) Small Entity Flexibility

Small entity flexibilities are not needed for this information collection activity. Participation in focus groups would be strictly on a voluntary basis.

(d) Collection Schedule

The first phase of focus groups will be conducted as follows:

Charlotte, NC: February 25, 2010
Houston, TX: March 3, 2010
Chicago, IL: March 4, 2010
Seattle, WA: March 8 and 9, 2010

Specific dates for the second and third phases have not yet been identified, but the second phase is expected to take place during the weeks of April 5 and 12, and the third phase is expected to take place during the weeks of May 17 and 24.

6. Estimating the Burden and Cost of the Collection

(a) Estimating Respondent Burden

The burden for respondents participating in the focus groups is estimated to be 4.75 hours per respondent. This includes 2.5 hours for travel and telephone screening, 0.25 hours to complete the online survey, and 2 hours for participation in the focus group.

(b) Estimating Respondent Costs

(i) Labor costs

Labor rates on a per hour basis are estimated as \$29.40/hour. This rate was taken from the Bureau of Labor Statistics Civilian Worker Cost Table which was most recently updated in September of 2009 (<http://stats.bls.gov/news.release/ecec.t02.htm>). This table estimates the costs per hour worked for employee compensation and costs as a percent of total compensation for the civilian workforce by occupational and industry group. According to this table, the average hourly total compensation for the civilian worker is \$29.40/hour. The total labor cost per online survey respondent, based on 0.34 burden-hours (20 minutes), is estimated to be \$9.80. The total labor cost per focus group participant, based on 4.75 burden hours, is estimated to be \$139.65. A higher labor cost was used for the expert panel participants, under the assumption that these will be highly-compensated professionals. Using the highest rate in the Bureau of Labor Statistics Civilian Worker Cost Table of \$54.52 (for the Management, business, and professional

occupational group) for the expert panel participants yields a per-respondent cost of \$654.24.

(ii) Estimating Capital and Operations and Maintenance Costs

Respondents will bear no capital and operations and maintenance costs.

(c) Estimating Agency Burden and Cost

EPA's burden and cost includes the cost of overseeing a contractor to design and administer the surveys and focus groups. The estimated EPA personnel effort needed is 0.3 FTE, which amounts to about 1040 hours of effort. The hourly cost is estimated at \$57.22, based on an average of hourly costs for managerial, technical and secretarial costs. The total Agency cost is estimated at \$59,510.

(d) & (e) Total Burden Hours and Cost

Table 1

FOCUS GROUPS		
NO. OF RESPONDENTS		96
TOTAL BURDEN HOURS		456
TOTAL LABOR COST		\$13,400
OPERATING & MAINTENANCE COST		0
CAPITALIZED/START-UP COST		0
EPA		
EMPLOYEES	0.5	
HOURS	1040	
LABOR COST	\$59,510	

(f) Burden Statement

Section 6(d) & (e) presents the total estimated burden for implementing the proposed information collection requirements.

Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal Agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collection, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a

currently valid OMB control number. The OMB control number for EPA's regulations are listed in 40 CFR Part 9 and 48 CFR Chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID No EPA-HQ-OAR-2009-0865, which is available for public viewing at the Air and Radiation Docket and Information Center in the EPA Docket Center (EPA/DC), EPA West, Room B102, 1301 Constitution Avenue, NW, Washington, D.C. The Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Air and Radiation Docket and Information Center is (202) 566-1742. To submit comments to EPA's electronic public docket, go directly to the Federal Docket Management System at <http://www.regulations.gov> and follow the online instructions for submitting comments. Direct your comments to Docket ID No. EPA-HQ-OAR-2009-0865. The system is an "anonymous access" system, which means we will not know your identity, e-mail address, or other contact information unless you provide it in the body of your comment. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, D.C. 20503, Attention: Desk Office for EPA. Please include the EPA Docket ID No. EPA-HQ-OAR-2009-0865 in any correspondence.

Part B of Supporting Statement

1) Introduction to Part B

For reasons explained in Part A, EPA will conduct focus groups to assess consumer behavior and attitudes towards fuel economy and EPA's fuel economy label and to better understand how to improve the fuel economy label to make it most compelling and useful to consumers.

2) Sections 1 and 2: Survey Objectives, Key Variables, and Survey Design

Survey Objectives: Focus groups have several fundamental objectives:

- Understand the vehicle buying process, the role of fuel economy information in that process and how to elevate its use in the purchase process
- Understand consumer comprehension and reactions regarding different liquid fuel metrics (i.e., economy vs. consumption)
- Understand consumer comprehension and reactions regarding different fuel cost metrics
- Understand consumer comprehension and reactions regarding environmental performance metrics
- Understand and identify the most compelling ways to visually portray information on the fuel economy label

Key Variables: N/A

Survey Design: Drafts of the pre-focus group online survey and the phase 1 focus group moderator guide are attached.

3) Sections 3 - 5:

Pretests: The contractor performing the surveys will appropriately pre-test the surveys using employees of the contractor firm that are not associated in any way with the project.

Pilot Tests: N/A

Collection Methods: Focus Groups, Internet surveys for focus group participants. Focus group results will be qualitatively analyzed. Group reactions will be noted and compared. Common comments about specific aspects of the label content and designs will be noted. Any common preferences expressed will be noted. Focus group participants will be selected from the American List Counsel Milestone Automobile Ownership Register. Participants will be screened to exclude employees of automotive, advertising, marketing, or market research firms. Participants will be selected among recent (last 12 months) car buyers, and screened to ensure a diversity of vehicle types and prices, age, educational background, and race/ethnicity.

Attachment I

Legal Authority & Regulatory Citations

Clean Air Act:

42 U.S.C. 7525. Motor Vehicle and Motor Vehicle Engine Compliance Testing and Certification; 42 U.S.C. 7542. Records and Reports

Energy Policy and Conservation Act:

49 U.S.C. 32908 Fuel Economy Information

Regulatory Citations:

40 CFR Part 600 Fuel Economy of Motor Vehicles.