

SUPPORTING STATEMENT
FOR
INFORMATION COLLECTION REQUEST

Focus Group Research for Improving Fuel Economy Label Design and Content: Phase 3

EPA ICR 2343.03

April, 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 Research for Improving Fuel Economy Label Design and Content: Phase 3

(b) Short Characterization/Abstract

This is a request to conduct focus group 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. Beginning in the fall of 2010, 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. Therefore, 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.

To ensure EPA amends the label in a way that is meaningful and understandable to consumers, EPA has developed a plan to conduct specific market research. The goals of which are to understand consumers' current use of the label and its relevance within the vehicle purchase process, identify barriers and motivators in purchasing fuel efficient vehicles, identify the most compelling ways to visually portray label information likely to influence purchasing decisions, and test label designs and public education messages.

To accomplish these goals EPA plans to conduct a limited set of voluntary focus groups over the course of the rulemaking 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 will follow-up these focus groups with an on-line internet survey that will provide additional quantitative data regarding information developed in focus groups.

¹ See 49 U.S.C. 32908(b).

EPA is planning three “phases” of focus groups. Each phase will have a different concentration, enabling us to comprehensively test consumer comprehension and reaction to different fuel and environmental information and label displays. The result of these focus groups, when combined, 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 tested consumer understanding and use of the current fuel economy label and the importance of various information elements on today’s label. This phase also assessed consumer reactions to the introduction of new information on future labels for conventionally fueled vehicles. Specifically, consumers were asked to consider various ways of presenting fuel economy and fuel consumption, fuel cost, environmental performance, and other factors. The second phase focused on determining what information is most important and helpful on labels for advanced technology vehicles (electric vehicles, extended range electric vehicles, and plug-in hybrid electric vehicles) and how that information is best presented.

This request for an emergency ICR approval is for the third phase of focus groups. This third phase will ask consumers to assist in developing the most effective and compelling presentation for the overall label. Participants will be shown multiple label designs for both conventionally fueled and advanced technology vehicles in order to test how understandable the information elements (fuel consumption, fuel cost, and environmental impact) are on each design. This phase will also explore which design, if any, would most influence a consumer to purchase a fuel efficient vehicle and which design would best enable consumers to compare different types of vehicles (e.g., a conventionally fueled vehicle and an electric vehicle). Additionally, the third phase will evaluate the understandability and worth to consumers in providing a CO₂ metric and a criteria pollutant metric individually or as a combined environmental metric. Finally, this phase will test the placement and size of the EPA fuel economy label on the Monroney label, and explore potential messages for a consumer education campaign to accompany the rollout of the new label.

In addition to conducting focus groups and ongoing stakeholder meetings, EPA is also reviewing current and past academic research, industry research, and blogs on this topic; organizing a panel of experts on shifting cultural norms to help provide information on potential consumer education approaches; and plans to conduct a non-probability convenience sample survey.

2. Need for and Use of the Collection

(a) Need/Authority for the Collection

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

As previously addressed in EPA ICR 2343.01, this information is needed on an expedited basis due to the impending certification, marketing and sales of several advanced technology vehicles and the implementation of the 2012 greenhouse gas emission

standards. Manufacturers anticipate selling advanced technology vehicles starting as early as the fall of 2010 but no later than the 2012 Model Year (MY) which begins in January 2011. Manufacturers' timeframe thus, necessitate EPA finalizing labeling regulations no later than December 2010, and publication of a Notice of Proposed Ruling by mid-July of 2010.

(b) Practical Utility/Users of the Data

The 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 data gathered will be used along with comments received during the proposal period of the fuel economy labeling regulations to assist EPA's final determination of the label design and content to specify in those regulations.

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.

(b) Public Notice Prior to Submission to OMB

Not applicable to this emergency request.

(c) Consultations

In conducting the focus group research, EPA will contract the services of a professional market research firm, who will assist in developing and conducting the focus groups.

(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 or extraneous questions will be asked and the privacy of all participating individuals will be protected. Therefore, the information collected will comprise of only that which is necessary for EPA to fulfill its mission and can be distributed as widely as possible. As such, this collection complies with the Privacy Act and OMB Circular A-130.

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 new 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. For phase three, four focus groups will be conducted in each of these cities.

(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, electric fuel metrics, and combination metrics that include both liquid and electric fuels
- Consumer comprehension and reactions regarding different fuel cost metrics for liquid and electric fuels
- Consumer comprehension and reactions regarding environmental performance metrics
- The most effective and powerful communication of label metrics for PHEVs and EVs
- The most understandable and compelling overall label design for both conventionally fueled vehicles and advanced technology vehicles.

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 to discuss advanced technology vehicles, such as plug-in hybrid electric vehicles, and what the label should display, and how best to display it, in order to be most helpful to consumers. They will be asked to discuss what environmental information the label should display, and how best to display it. They will

be asked to review and comment on different label designs for both conventionally fueled vehicles and advanced technology vehicles. The focus group participants will be asked to complete a brief (30 minute) online survey prior to the convening of the group to establish some baseline information.

(ii) Respondent Activities

Approximately 80 individuals are contacted and screened to reach the goal of 12 recruits per group. The screening process takes approximately nine minutes to complete, resulting in a total screening burden of 12 hours per group. Pre-focus group surveys taken by 12 recruits are designed to take a respondent about 30 minutes. Focus groups take 2 hours per group. EPA is allotting an additional 2 hours per respondent for travel.

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 labels.

(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 is strictly on a voluntary basis.

(d) Collection Schedule

The focus groups will be conducted prior to the publication of the proposed fuel economy labeling regulation. The first and second phases of focus groups were conducted from February 25-March 8 and April 5-15, respectively. The third phase is currently scheduled for May 17-May 28.

6. Estimating the Burden and Cost of the Collection

(a) Estimating Respondent Burden

The burden for candidates that are screened for the focus groups is estimated to be about 0.15 hours (9 minutes) per candidate. The burden for candidates that are selected to participate in the focus groups is estimated to be 4.5 hours per respondent. This includes 2 hours for travel, 0.5 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 screened candidate is about \$4.50, based on 0.15 burden hours (nine minutes). The total labor cost per focus group participant, based on 4.5 burden hours, is estimated to be about \$132.00.

(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 208 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 \$11,901.76.

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

Table 1

FOCUS GROUPS		
NO. SCREENED CANDIDATES		1280
NO. OF RECRUITS		192
TOTAL BURDEN HOURS		1056
TOTAL LABOR COST		\$31,050
OPERATING & MAINTENANCE COST	0	
CAPITALIZED/START-UP COST	0	
EPA		
EMPLOYEES	0.3	

HOURS	208
LABOR COST	\$11,901.76

(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 3334, 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.