

SUPPORTING STATEMENT
FOR
INFORMATION COLLECTION REQUEST

Internet Survey Research for Improving Fuel Economy Label Design and Content

EPA ICR 2390.01

September, 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

Internet Survey Research for Improving Fuel Economy Label Design and Content

(b) Short Characterization/Abstract

This is a request to conduct internet survey research for the Environmental Protection Agency (EPA). EPA is responsible under the Energy Policy and Conservation Act (EPCA) 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 to update the current fuel economy label to both address the unique nature of advanced technology vehicles as well as to add new information on the label for conventional-gasoline powered vehicles. The proposed rule will ensure that American consumers continue to have the most accurate, meaningful, and useful information available to them with regard to new vehicles sold in the U.S.

Recently, the 2007 Energy Independence and Security Act (EISA) introduced additional new labeling requirements that are to be implemented by the National Highway Traffic Safety Administration (NHTSA). To maximize regulatory efficiency, minimize the burden on manufacturers, and provide the best information possible to American consumers, EPA and NHTSA are conducting a joint rulemaking to redesign the current fuel economy label.

To help the agencies develop a joint label that meets the statutory requirements as well as the policy objectives described above, EPA is currently completing three phases of focus groups and is requesting approval in this Emergency ICR submission to conduct an internet survey that will complement these focus groups.

The focus groups solicited 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, fuel consumption, fuel cost and environmental impact of the vehicles they are considering purchasing. Phase 3 of the focus groups asked consumers to assist in developing the most effective presentation for the overall fuel economy label for both conventionally-fueled vehicles and for advanced technology vehicles.

The internet-based survey will test the label designs resulting from phase 3 focus groups with a broader audience. The goals of the internet survey are to examine how understandable the new label designs are, and whether the new labels will improve consumers' abilities to select more fuel-efficient vehicles. It will test these questions for both conventional and advanced technology vehicles.

This study plans to use two convenience samples: self-selected U.S. new vehicle purchasers and people who have expressed an intention to purchase a new vehicle by requesting a price quote from a dealer. Because the study is not a probability-based sample, it may not yield estimates representative of the target population, new vehicle buyers. However, even if the results are not representative of the population, the agencies believe that the study design will provide quantitative estimates of differences in consumer responses between various test conditions.

2. Need for and Use of the Collection

(a) Need/Authority for the Collection

The internet survey 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 2343.01–2343.03, 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 internet survey research will be used by EPA and NHTSA to better understand which fuel economy label designs – for both conventional and 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 and NHTSA'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

EPA is soliciting public comment as required by the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) via a Federal Register notice published on May 12, 2010¹.

(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.

The survey has been reviewed by Dr. Clay Voorhees, Assistant Professor of Marketing, The Eli Broad College of Business, Michigan State University; and Dr. Randall Pozdena, Managing Director and head of the Portland office of ECONorthwest and former vice president of the Federal Reserve Bank of San Francisco.

(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. Any identifying information associated with respondents will be removed from their responses to ensure anonymity to respondents.

(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.

¹ See 75 Federal Register 2675

4. The Respondents and the Information Requested

(a) Respondents/NAICS Codes

In general, respondents will consist of randomly selected citizens who have voluntarily opted into databases that may contact them by e-mail. Some screening will be done to ensure that the respondents may have some familiarity with fuel economy and fuel economy labels. Specifically, this study plans to use two convenience samples: self-selected U.S. new vehicle purchasers and people who have expressed an intention to purchase a new vehicle by requesting a price quote from a dealer (see Supporting Statement B for details). Because the study is not a probability-based sample, it may not yield estimates representative of the target population, new vehicle buyers. However, even if the results are not representative of the population, the agencies believe that the study design will provide quantitative estimates of differences in consumer responses between various test conditions.

(b) Information Requested

(i) Data items

As described above, internet survey respondents will be selected from U.S. new car buyers and people who have expressed an intention to purchase a new vehicle by requesting a price quote from a dealer. The survey will explore the following topics:

- Vehicle buying process and the role of fuel economy information in that process
- The most understandable and useful overall label design for both conventionally fueled vehicles and advanced technology vehicles

Respondents will be divided into three separate groups. One version of the online survey will be developed for each group, identical in every way except that each of the groups will see only one of the label designs to be tested. To collect data on consumers' understanding of the labels, each respondent will be shown a series of paired labels. In each pair, all vehicle characteristics will be held constant except the information on the vehicle label. For instance, the fuel economy of the vehicles may differ, or one may be a conventional vehicle and one an electric vehicle. The respondent will then be asked to identify which vehicle has a better rating for the metric being tested. The term "better" is being used, instead of "more fuel-efficient" or "most cost-efficient," to allow respondents to use whatever information on the label is most salient to them in answering the questions.

To collect data on the influence of the labels, respondents will be shown pairs of labels for vehicles with all vehicle attributes constant except those varied on the label. Instead of using the label to identify the better vehicle for a scenario, the respondent will be asked which of these vehicles s/he would prefer to buy, based on his/her own driving patterns. Comparisons will involve both conventional and advanced technology vehicles. Because the survey asks respondents about their driving patterns, it will be possible to see

whether respondents will choose the vehicle better suited for their habits. The key variable is whether the responses differ for different label designs.

In addition, all respondents will be asked about their car-buying process and the role of fuel economy information in that process.

(ii) Respondent Activities

We assume approximately 2000 respondents for each label design being tested. There will be 3 overall label design families (consisting of 4 unique associated labels to address (1) gasoline, (2) electric, (3) plug-in hybrid, and (3) extend range plug-in hybrid vehicle needs), thus resulting in a potential maximum of 6,000 respondents. The internet survey is designed to take a respondent about 12-15 minutes. However, we estimate an average burden of 20 minutes per respondent in order to account for starting the web browser, variable Internet speeds, and other factors.

Approximately 120,000 individuals will be invited by email to participate in the survey in order to reach the goal of 6000 respondents. We estimate that it will take 1 minute for an individual who is contacted to decide whether or not to take the survey.

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, which will be placed in the docket for the fuel economy rulemaking and also 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

Responses to the online survey will be tabulated in database software, analyzed by EPA's contractor, and statistical analysis will be conducted to look for differences across the three label families. Finally, the data and information will be used by the contractor to develop a final report. Identifying information will be stripped away from survey responses to insure confidentiality.

(c) Small Entity Flexibility

Small entity flexibilities are not needed for this information collection activity. Participation in the internet survey is strictly on a voluntary basis.

(d) Collection Schedule

The internet survey will be conducted prior to the publication of the proposed fuel economy labeling regulation. It is currently scheduled to occur concurrent with the NPRM signature and for two week following.

6. Estimating the Burden and Cost of the Collection

(a) Estimating Respondent Burden

The burden for individuals who are invited to participate in the survey by email is estimated to be about 0.017 hours (1 minute) per person. The burden for individuals who participate in the internet survey is estimated to be 0.34 hours (20 minutes) per respondent.

(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 individual invited to participate in the survey, based on 0.017 burden hours (1 minute), is estimated to be about \$0.50. The total labor cost per internet survey respondent, based on 0.34 burden hours (20 minutes), is estimated to be about \$10.

(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 internet survey. 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

INTERNET SURVEY	
NO. OF INVITEES	120000

NO. OF RESPONDENTS	6000
TOTAL BURDEN HOURS	4080
TOTAL LABOR COST	\$119,952
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 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.