



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 19, 2010

ADMINISTRATOR
OFFICE OF
INFORMATION AND
REGULATORY AFFAIRS

The Honorable David Strickland
Administrator
National Highway Traffic Safety Administration
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Administrator Strickland:

On March 17th, 2010, the Office of Management and Budget (OMB) concluded review of the Department of Transportation's (DOT) National Highway Traffic Safety Administration's (NHTSA) "Tire Fuel Efficiency Consumer Information Program" final rule under Executive Order 12866. The final rule implements statutory requirements under the Energy Independence and Security Act of 2007 (EISA) to establish a tire fuel efficiency rating system for new replacement tires to assist consumers in making tire purchasing decisions. Specifically, the final rule establishes test procedures that tire manufacturers must use to rate tires for fuel efficiency (using rolling resistance), safety (using traction), and durability.

We are strongly supportive of NHTSA's commitment to informed choices on the part of consumers and its efforts to implement EISA so as to promote such choices.

In light of the important objectives of the rulemaking, we encourage NHTSA to continue its work to improve the content and format of the label so that consumers will, in fact, be adequately informed. Specifically, we encourage NHTSA to consider the following general principles in designing the label:

- **Clarity:** The label should clearly highlight the most relevant information regarding the three aspects of performance in order to increase the likelihood that consumers will see it, understand it, and act in accordance with what they learn. The label should be supplemented by a fuller presentation on a website, which should explain the meaning of the relevant information, how NHTSA calculated the ratings, and how consumers can obtain different savings and outcomes under different circumstances.
- **Transparency and Meaning:** If scales are used on the label, they should be meaningful and intelligible. For example, there is a risk that the points on certain scales will not be entirely meaningful if consumers do not understand the real-world consequences of the

different points. NHTSA should consider how best to promote consumer understanding of the likely real-world benefits and possible trade-offs involved in selecting tires at various points along relevant scales. NHTSA might also consider steps to promote easy comparison shopping, such as a range or an average for each of the three factors on the label.

- **Consumer testing:** NHTSA should develop several alternative labels and test them before proposing a revised label. The consumer testing should aim to measure consumers' understandings of the label, and their likely behavior given that understanding, instead of simply identifying their preferences among labels. Though both can be informative, NHTSA should give greater weight to scientifically valid experiments than to focus group testing.
- **Openness:** After additional consumer testing, NHTSA should re-propose a revised label in a supplemental notice of proposed rulemaking (SNPRM) and finalize after addressing public comments.

We greatly appreciate NHTSA's excellent work and its strong efforts to develop the test procedures and to improve the label. OMB looks forward to working with your staff on the consumer testing and follow-up rule.

Sincerely,



Cass R. Sunstein
Administrator
Office of Information
and Regulatory Affairs