

**National Motor Vehicle Title Information System
Supporting Statement for Paperwork Reduction Act
OMB # 1121-0335**

A. Justification.

1. Necessity of Information: The reporting of certain information by junk yard and salvage yard operators and insurance carriers is expressly required by 49 U.S.C. 30504. Each state is required to make its titling information available to the National Motor Vehicle Title Information System (NMVTIS) (49 U.S.C. 30503(a)). States that participate fully in the system provide data to the system on a daily or real-time basis and make NMVTIS inquiries before issuing a new title on a vehicle from out of state and preferably before every title verification, regardless of its origin or reason.

Junk and salvage yards must provide NMVTIS with the following information on each junk and salvage vehicle received into inventory every month (from April 2009 forward):

- Name, address, and contact information for the reporting entity.
- Vehicle Identification Number (VIN).
- Date the automobile was obtained.
- Name of the individual or entity from whom the automobile was obtained.
- A statement of whether the automobile was crushed or disposed of, or offered for sale or other purposes, and whether the vehicle is intended for export out of the United States.

This is a continuous collection.

National Motor Vehicle Title Information System web site: <http://www.nmvtis.gov/>

All States, insurance carriers, junk yard and salvage yard operators must register at: <http://www.aamva.org/KnowledgeCenter/Vehicle/NMVTIS/WhatsTheService.htm>

2. Purpose for Use: The purpose of NMVTIS is to prevent various types of theft and fraud by providing an electronic means for verifying and exchanging title, brand, theft, and other data among motor vehicle administrators, law enforcement officials, prospective and current purchasers (individual or commercial), and insurance carriers. This information helps state titling agencies by verifying motor vehicle and title information, information on brands applied to motor vehicles, and information regarding whether motor vehicles have been reported stolen. NMVTIS data allows law enforcement agencies to make inquiries to further their investigations of motor vehicle theft and fraud. The information also helps insurance carriers and prospective purchasers to identify fraud.

3. Use of Information Technology: Information reported to NMVTIS is submitted electronically.

4. Identification of Duplication: Junk yards, salvage yards, and insurance carriers can either submit the required information directly into the database manually, or through a data consolidator (third party), who reports the information to NMVTIS. DOJ and the system operator, the American Association of Motor Vehicle Administrators (AAMVA) have partnered with private sector data consolidators to provide multiple reporting methods to meet the business needs of reporting entities.

5. Impact on Small Businesses or Other Entities: The information that must be reported has been limited to data expressly required by statute and limited other information determined necessary to carry out the purpose of the statute.

6. Consequences if Collection is not Conducted: The reporting requirements are prescribed by 49 U.S.C. 30501-30505. The U.S. Department of Justice (DOJ) has had responsibility for the oversight and operation of NMVTIS since 1996. As part of that role, DOJ's Bureau of Justice Assistance (BJA) is responsible for enforcing civil fines on junk and salvage yards, towing operators, insurance carriers, and others who fail to report on a monthly basis, as required. Failure to report to NMVTIS is punishable by a civil penalty of \$1,000 per violation; therefore, a failure to report 100 junk or salvage automobiles could result in a civil fine of up to \$100,000.

7. Special Circumstances: By no later than March 31, 2009, all junk and salvage yards and insurance carriers were required to fully comply with NMVTIS reporting requirements as established by the Anti Car Theft Act of 1992 (Public Law 102-519), the Anti-Car Theft Improvements Act of 1996 (Public Law 104-152), and its implementing regulations (28 C.F.R. part 25). All junk and salvage yards handling five or more junk or salvage motor vehicles per year are required to report those vehicles to NMVTIS. Insurance carriers are only required to report on vehicles determined to be a "total loss."

8. Federal Register Publication and Consultation: OJP has solicited public comments on the data collection per OMB specifications. The 60-day and 30-day Federal Register notices were published to inform and solicit comments from the public. OJP received no comments.

9. Payment to Respondents: There are no payments or gifts provided to the respondents.

10. Assurance of Confidentiality: The Federal Bureau of Investigation has made no assurances of confidentiality to respondents. Some states, however, may want to limit access to information provided to authorized users of NMVTIS. Personal identifying information will be protected, as required under the Privacy Act as well as other relevant federal statutes, and the collector will establish a privacy policy that will be approved by the Department of Justice. Confidential business information will also be made available only to law enforcement and state or other government agencies for governmental purposes.

11. Questions of a Sensitive Nature: The required information does not involve questions of a sensitive nature.

12. Estimates of the Hour Burden: It is assumed that all junk and salvage yard operators already collect much of the information required under the rule, and therefore, it is only the transmission of this data to NMVTIS that will result in costs.

a. Number of Respondents: 8,000 (estimated)

b. Frequency of Response: 12 times per year (junk/salvage yard operators and insurance carriers)

c. Total Annual Responses: 96,000

Note: Approximately 75% of the responses are from small operators and 25% from large operators

d. Hours per Response: 30-120 minutes (for those small operators responding manually)

The states and insurance companies already are capturing most of the data needed to be reported, and the reporting consists of electronic, batch uploaded information. So, for those automated companies the reporting time is negligible. For smaller junk and salvage yard operators who would enter the data manually, it is estimated that it will take respondents an average of 60 minutes per month to respond.

e. Total Annual Reporting Burden: 72,000 hours (which represents 75% of the estimated 96,000 responses x 60 minutes avg. response)

f. The NMVTIS reporting requirement for junk, salvage, and insurance industry businesses has been in effect since April 2009. The 72,000 hours figure is more accurate than the previous estimate (60,000 hours) because the figure captures the fact that the majority of the 96,000 responses come from smaller businesses. Smaller businesses tend to submit manual in comparison to the large junk and salvage yards and insurance companies who submit reports in an automated fashion. This new reporting burden estimate reflects the knowledge gained about the NMVTIS reporting community over the past three years.

13. Estimate of the Total Annual Cost Burden: The vast majority of junk, salvage, and insurance companies do not incur any additional capital, operating, or maintenance costs to submit their required monthly report.

14. Estimates of Annualized Cost to the Federal Government: The estimated annualized cost of the operation of the NMVTIS system to the Federal government is \$5.7 million.

15. Program Changes or Adjustments: This information collection is ongoing and has been in effect since March 31, 2009.

16. Publishing Information. The collection of information will not be published, but will become part of NMVTIS implementing regulations.

17. Approval for not Displaying OMB Approval 17. The information collected is supplied electronically by the respondents and may be automated. Therefore, display of a valid OMB control number may not be possible.

18. Certification Statement for Paperwork Reduction Act Submission: See attached Certification Statement.

B. STATISTICAL METHODS

This information collection does not require the employment of statistical methods.

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