SUPPORTING STATEMENT
OMB No. 2127-0004
Defect and Noncompliance Notification and Reporting

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

This collection covers those requirements found within various provisions of the Motor Vehicle Safety Act of 1966 (Act), 49 U.S.C. § 30101, et seq., and implementing regulations found within 49 CFR Parts 573 and 577, that require motor vehicle and motor vehicle equipment manufacturers to notify NHTSA and also owners, purchasers, dealers, and distributors, of safety-related defects and failures to comply with Federal Motor Vehicle Safety Standards (FMVSS) in products they manufactured. It also covers additional reporting, notification, and recordkeeping requirements related to those notifications and the ensuing free remedy programs, including the requirement(s):

- that a plan be filed explaining how the manufacturer intends to reimburse owners or purchasers who paid to remedy the defective or noncompliant product prior to its recall, and that this plan be explained in the notifications issued to owners and purchasers;
- that the manufacturer provide to NHTSA copies of communications pertaining to the recall campaign that they may issue to owners, purchasers, dealers, or distributors;
- that the manufacturer maintain a list of the owners, purchasers, dealers, and distributors it notified;
- that the manufacturer provide NHTSA with at least six quarterly reports detailing the progress of the recall campaign;
- related to, in tire recall campaigns, the proper disposal of recalled tires, including requirements that the manufacturer submit a plan and provide certain information and instructions to certain persons (such as its dealers or retail outlets) addressing disposal, and a requirement that those persons report back deviations from that plan; and
- that any person who sells or leases a defective or noncompliant tire, knowing that the manufacturer has decided that tire is defective or noncompliant, report that sale or lease to NHTSA.

The statutory sections imposing these requirements include 49 U.S.C. §§ 30118, 30119, 30120, and 30166. The regulatory sections implementing these statutory sections are found within 49 CFR Parts 573 and 577. Copies of these statutory and regulatory sections are attached.

This collection also implements requirements from the Moving Ahead for Progress in the 21st Century (MAP-21) Act, Pub. L. No. 112-141, 126 Stat 405 (July 6, 2012), that the Secretary require motor vehicle safety recall information be made available to the public on the Internet, be searchable by vehicle make and model and vehicle identification number (VIN), be in a format that preserves consumer privacy, and include information about each recall that has not been completed for each vehicle. A copy of the MAP-21 Act is also attached.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate actual use the agency has made of the information received from the current collection.

   This information is necessary to enable NHTSA to administer, monitor, and enforce the statutory and regulatory requirements identified above in response to statement no.1. These requirements are intended to ensure the safety of the motoring public through the proper and timely identification and remedy of defective or noncompliant motor vehicles and motor vehicle equipment.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

   This information collection is being revised to require manufacturers of motor vehicles and motor vehicle equipment to submit certain recalls-related information electronically via the Internet, and that were previously submitted in paper or in a static PDF electronic format. The information collections required under the statutory and regulatory requirements identified in response to statement no. 1 will now be submitted to NHTSA electronically, through any standard web browser.

   We seek to maximize the use of technology to lessen the agency's costs, reduce errors in data entry, reduce mailing costs to manufacturers in providing printed materials, and improve the public recall notification process. We believe technology has reached the point where manufacturers all have access to the Internet and are performing many, if not most, business communications and tasks using it. A web-based submission is faster and provides better delivery of recall information to the public encouraging quicker remediation of defective products and freeing up resources that are better allocated to managing and analyzing recall information as part of recall oversight.

   We are requiring motor vehicle manufacturers that manufacture 25,000 or more light vehicles annually, or 5,000 or more motorcycles annually, to provide a VIN-

based safety recalls search mechanism available to the public on the Internet. A link to the manufacturer's safety recalls look-up function must be conspicuously placed on the main page of the manufacturer's United States' main web page. However, where that link directs a user to enter a VIN and return a result, we leave to the discretion of the manufacturer. Manufacturers, for example, may choose to operate the search from their web page, or choose to have the user redirected from the link on their main U.S. web page to a third party's web page. No matter where the search function is housed, the function must in all cases meet the minimum requirements of Section 31301(a) of MAP-21, as well as minimum performance requirements.

In certain circumstances, the statutes require that information be submitted using traditional means. For example, under 49 U.S.C. § 30118(c) manufacturers are required to notify NHTSA of safety defects and noncompliances by certified mail.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.

The information to be collected, reported, and maintained under the various requirements included in this collection is unique to the circumstances surrounding the particular safety defect, noncompliance, remedy plan, and manufacturer involved. Therefore, similar information is not available that can be used, and there is no risk of duplication.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

Small businesses are not exempt from the statutory and implementing regulatory requirements described herein. This information collection, therefore, can impact small businesses. However, the information that is required has been set at the minimum necessary to meet the statutory requirements. For example, manufacturers that manufacture less than 25,000 light vehicles or less than 5,000 motorcycles will be exempt from the requirement to provide a VIN-based safety recalls search mechanism available to the public on the Internet.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Without the information required to be collected, reported, and maintained under this collection NHTSA will not be able to carry out its duty to administer and enforce the applicable Federal statutes. There are no technical or legal obstacles to reducing the burden.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.

This regulation is fully consistent with all the guidelines set forth in 5 CFR 1320.6.

8. Provide a copy of the Federal Register document soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format, and on the data elements to be recorded, disclosed, or reported.

NHTSA included a request for comment on this information collection in the Notice of Proposed Rulemaking proposing to revise the safety recall reporting and notification regulations. This notice was published in the Federal Register on September 10, 2012 (77 FR 55605), and is attached. We have also attached a copy of the Final Rule.

NHTSA received comments from twenty-two (22) parties for proposals affecting safety recalls reporting, administration, and execution. The final rule addresses comments as to cost and burden in detail. However, we note that comments criticizing high costs or burdens were primarily focused on a proposal that we chose not to adopt in the final rule.

Specifically, to meet the MAP-21 requirement identified in statement No.1, and to increase the number of motor vehicles remedied under safety recall campaigns, the agency proposed to offer vehicle owners and prospective purchasers an enhanced vehicle recalls search tool through its website, www.safercar.gov, that would go beyond the current functionality to search by specific make and model vehicle. We proposed to offer a VIN-based search function that would report back whether a vehicle has been subject to a safety recall, and whether that vehicle has had the manufacturer's free remedy performed.

In order to gather the information necessary for us to provide this enhanced functionality, we proposed to require larger volume, light vehicle manufacturers to submit the VINs for vehicles affected by a safety recall to NHTSA. We further proposed to require these manufacturers to submit to NHTSA recall remedy completion information on those vehicles, again supplied by VIN, that would be updated at least once daily so that our search tool had "real time" information that could inform owners and other interested parties if a recall is outstanding on a vehicle.

After reviewing the comments received, we decided not to adopt this proposal. Rather, we are adopting an alternative proposal for which we sought comment in the NPRM. This requires high volume, light vehicle manufacturers to provide a VIN-based recall lookup tool on their Internet websites that meets certain performance-based criteria. This alternative proposal received no critical comments as to costs or burdens. In fact, this alternative proposal was endorsed by many commenters as a way to implement the new requirements of MAP-21 while reasonably containing costs and burdens.

We received several comments on our proposal to require manufacturers to notify owners of recalled products within sixty (60) days from when they file their Part 573 Information Report with the agency. Generally, safety advocate commenters supported this proposal. However, commenters from the automotive industry felt that this requirement would be too burdensome and costly, as it would require the mailing of multiple recall notifications in some instances.

In our view, we do not believe it is unreasonable for a manufacturer to notify an owner or purchaser within sixty (60) days of the existence of a safety defect or noncompliance, even if the remedy is not yet available. Owners should be promptly made aware of critical safety issues in order to make an informed judgment and to take measures to protect themselves and others from the risks and consequences associated with a safety defect or noncompliance. As such, we are adopting this proposal as it was presented in the NPRM.

As to our proposal to require recall submissions through a new, online recalls portal, we received positive feedback with one exception. Harley-Davidson noted that the online form will only allow 2 company representatives to access the system and this will impede a rough draft to circulate within the company. They point out that they will have to circulate a draft in MS Word and, once finalized, someone will have to paste the information into the NHTSA website field-by-field.

We have considered Harley-Davidson's comment but do not see how the implementation of an online recalls system will add burden to a manufacturer's workflow. Through our regular communications with manufacturers, we understand that draft versions of Part 573 Information Reports and other recalls-related submissions are circulated for approval through the various levels of management and legal staff within a manufacturer's structure. In other words, we fail to see, as a practical matter, how the requirement to put this information onto an electronic form is any different than what machinations occur prior to a manufacturer's creating a final paper copy that they either submit in hard copy or via a PDF that they then e-mail. We have decided to adopt, with slight changes, the proposal to require manufacturers to submit their Part 573 notification through a web-based Internet portal.

In the NPRM, we proposed to require that 90 days after making the remedy available manufacturers review their Part 573 Information Report for completeness and accuracy.
A number of the comments reflected that the purpose of this proposal is achieved largely through our proposal to require any changes or updates to Part 573 reports be submitted within five working days. Harley-Davidson and the Truck and Engine Manufacturers Association (EMA), for example, commented that this proposal is too burdensome and unnecessary. Harley-Davidson noted that the proposal to supply new or updated Part 573 information within five days renders this 90-day certification duplicative. EMA echoed this comment and added that a 90-day certification would effectively close out a Part 573 Information Report and forestall any updates to the report. After review of these and other comments, we decided not to adopt this proposal.

In an effort to encourage owners to have recall repairs made to their vehicles and vehicle equipment, we proposed additional requirements governing the content and formatting of owner notification letters and the envelopes in which they are mailed in an effort to improve the number of vehicles that receive a remedy under a recall. Generally, we received positive feedback and constructive comments regarding these proposals. Honda commented about excessive costs they may incur with the requirement to place the owner's vehicle identification number (VIN) in the recall notification letter. Several commenters also noted a concern for wasted materials if the lead time for these proposals did not allow manufacturers adequate time to use current supplies.

However, with Honda and other commenter's feedback, we are able to adopt each of the proposals concerning recall notification letters and make changes to account for cost and burden concerns. We will allow a lead time of 180 days from the date of the final rule publication for manufacturers to ensure all recall notification envelopes contain a new label containing the NHTSA and U.S. Department of Transportation logos. This will allow manufacturers to utilize any existing mailing supplies. Also, to account for Honda and other commenter's concerns about the strict placement of the owner's VIN in the notification letter, we will not require the VIN in any specific location.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payment or gift will be given to any respondent.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

No assurance of confidentiality was provided to respondents. An existing NHTSA regulation, 49 CFR Part 512, Confidential Business Information, provides an opportunity for respondents to request protection of confidential

business information. Should a respondent request confidential treatment of business information, NHTSA will conduct an analysis of that respondent's request and grant or deny that request as appropriate.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

No questions of a sensitive nature are involved in this information collection.

12. Provide estimates of the hour burden of the collection of information.

The approved information collection associated with Part 573 and portions of Part 577 is associated with an estimated annual burden of 21,370 hours associated with an estimated 175 respondents per year. The control number for these collections is OMB Control Number 2127-0004. For information concerning how we calculated these estimates please see the Federal Register Notices 76 FR 17186 (March 28, 2011) and 76 FR 34803 (June 14, 2011).

These estimates require revision. For several of the current collections, we have more current information on which to base estimates, and so we are making adjustments to those estimates to provide more accurate assessments of burden. Also, our amendments in today's final rule will result in a number of new collections which require burden calculations.

a. Adjusted Estimates For Current Information Collections

Our prior estimates of the number of manufacturers each year that would be required to provide information under Part 573, the number of recalls for which Part 573 information collection requirements would need to be met, and the number of burden hours associated with the requirements currently covered by this information collection require adjustment as explained below.

Based on then current information, we calculated in 2011 for purposes of renewing our clearance, an average of 650 Part 573 information reports were filed with NHTSA each year by approximately 175 distinct manufacturers (MFRs). More recent years' recall data reflect higher recall volumes as well as increased participation by separate and distinct manufacturers. In consideration of newer figures, we are adjusting our estimate to 280 distinct manufacturers filing an average of 680 Part 573 Information Reports each year.

We continue to estimate that it takes a manufacturer an average of 4 hours to complete each notification report to NHTSA and that maintenance of the required owner, purchaser, dealer and distributors lists requires 8 hours a year per manufacturer. Accordingly, the subtotal estimate of annual burden hours related to the reporting to NHTSA of a safety defect or noncompliance and maintenance

of owner and purchaser lists is 4,960 hours annually ((680 notices x 4 hours/report) + (280 MFRs x 8 hours)).

In the NPRM, we had proposed for certain manufacturers to submit VINs electronically to NHTSA. For these manufacturers, the long-standing requirement to report recalls completion on a quarterly basis, and the burden associated with that requirement, would have been obviated. Therefore, in the NPRM, we calculated a reduction in the burden hours associated with quarterly reporting by 3,760 hours annually. However, since we are not in the Final Rule adopting this particular proposal, the quarterly reporting requirements will not change. Accordingly, there will not be a reduction in quarterly reporting burden hours, and that burden will remain at 12,000 burden hours (3,000 quarterly reports/year x 4 hours/report).

We also continue to estimate an additional 2 hours will be needed to add to a manufacturer's information report details relating to the manufacturer's intended schedule for notifying its dealers and distributors, and tailoring its notifications to dealers and distributors in accordance with the requirements of 49 CFR § 577.13. This would total to an estimated 1,360 hours annually (680 notices x 2 hours/report).

In the event a manufacturer supplied the defect or noncompliant product to independent dealers through independent distributors, that manufacturer is required to include in its notifications to those distributors an instruction that the distributors are to then provide copies of the manufacturer's notification of the defect or noncompliance to all known distributors or retail outlets further down the distribution chain within five working days. See 49 CFR § 577.8(c)(2)(iv). As a practical matter, this requirement would only apply to equipment manufacturers since vehicle manufacturers generally sell and lease vehicles through a dealer network, and not through independent distributors. We believe our previous estimate of roughly 90 equipment recalls per year needs to be adjusted to 80 equipment recalls per year to better reflect recent recall figures. Although the distributors are not technically under any regulatory requirement to follow that instruction, we expect that they will, and have estimated the burden associated with these notifications (identifying retail outlets, making copies of the manufacturer's notice, and mailing) to be 5 hours per recall campaign. Assuming an average of 3 distributors per equipment item, (which is a liberal estimate given that many equipment manufacturers do not use independent distributors) the total number of burden hours associated with this third party notification burden is approximately 1,200 hours per year (80 recalls x 3 distributors x 5 hours).

As for the burden linked with a manufacturer's preparation of and notification concerning its reimbursement for pre-notification remedies, consistent with previous estimates (see 69 Fed. Reg. 11477 (March 10, 2004)), we continue to estimate that preparing a plan for reimbursement takes approximately 8 hours annually, and that an additional 2 hours per year is spent tailoring the plan to

particular defect and noncompliance notifications to NHTSA and adding tailored language about the plan to a particular safety recall's owner notification letters. In sum, these required activities add an additional 3,600 annual burden hours ((280 manufacturers x 8 hours) + (680 recalls x 2 hours)).

The Act and Part 573 also contain numerous information collection requirements specific to tire recall and remedy campaigns, as well as a statutory and regulatory reporting requirement that anyone that knowingly and intentionally sells or leases a defective or noncompliant tire notify NHTSA of that activity.

Manufacturers are required to include specific information relative to tire disposal in the notifications they provide NHTSA concerning identification of a safety defect or noncompliance with FMVSS in their tires, as well as in the notifications they issue to their dealers or other tire outlets participating in the recall campaign. See 49 CFR § 573.6(c)(9). We previously estimated about 10 tire recall campaigns per year; however, we are adjusting this figure to 15 tire campaigns per year to better reflect recent figures. We estimate that the inclusion of this additional information will require an additional two hours of effort beyond the subtotal above associated with non-tire recall campaigns. This additional effort consists of one hour for the NHTSA notification and one hour for the dealer notification for a total of 30 burden hours (15 tire recalls a year x 2 hours per recall).

Manufacturer owned or controlled dealers are required to notify the manufacturer and provide certain information should they deviate from the manufacturer's disposal plan. Consistent with our previous analysis, we continue to ascribe zero burden hours to this requirement since to date no such reports have been provided and our original expectation that dealers would comply with manufacturers' plans has proven true.
Accordingly, we estimate 30 burden hours a year will be spent complying with the tire recall campaign requirements found in 49 CFR 573.6(c)(9).

Additionally, because the agency has yet to receive a single report of a defective or noncompliant tire being intentionally sold or leased in the fourteen years since this rule was proposed, our previous estimate of zero burden hours remains unchanged with this notice.

NHTSA's supporting information for the current Part 577 information collection did not include estimates of the burden linked with the requirement to notify owners and purchasers of a safety recall. Today, we estimate that burden. We estimate that it takes manufacturers an average of 8 hours to draft their notification letters, submit them to NHTSA for review, and then finalize them for mailing to their affected owners and purchasers. We calculate that the Part 577 requirements result in 5,440 burden hours annually (8 hours per recall x 680 recalls per year).

b. New Collections Associated with the Final Rule

We estimate that today's final rule, which amends many of the reporting and recordkeeping requirements, will increase the costs and burdens of the associated collections of information. We summarize these changes and our estimates of the associated cost and burden in this section.

We recognize that our regulation to require owner notifications within 60 days of filing a Part 573 report will increase the burden hours associated with the requirement to notify owners and purchasers of a safety recall. We calculated that about 25 percent of past recalls did not include an owner notification mailing within 60 days of the filing of the Part 573 report. Under the requirements, manufacturers will have to send two letters in these cases: an interim notification of the defect or noncompliance within 60 days and a supplemental letter notifying owners and purchasers of the available remedy.

Accordingly, we estimate that 1,360 burden hours will be added by this 60-day interim notification requirement (680 recalls x .25 = 170 recalls; 170 recalls times 8 hours per recall = 1,360 hours). Therefore we calculate the total burden created by Part 577 to notify owners and purchasers of defective vehicles or motor vehicle equipment at 6,800 hours (5,440 + 1,360).

In the NPRM we estimated several new burdens hour calculations due to the proposed requirement that large, light vehicle manufacturers will transmit the VINs of recalled vehicles to NHTSA, and update the repair status of those VINs on a daily basis. The Alliance submitted a comment to us and OMB that this proposal was unnecessarily burdensome and costly, and that our estimates were unrealistically low. The Alliance's concerns, as well as others submitted in response to our NPRM presenting similar objections, were summarized in much detail earlier in this document, and we do not repeat them here. We are not adopting this proposal, and therefore any costs or burdens we earlier calculated are no longer applicable. Accordingly, we have removed from our cost and burden analysis here those costs and burdens we calculated and on which we requested comment in the NPRM. In their place, we estimate the costs and burdens associated with the alternative proposal that we are adopting today.

We estimated 172 burden hours for compiling an initial VIN list that would be transmitted to NHTSA's database. As we are not implementing this proposal, we have removed the 172 hours we calculated for this burden. We have also removed the 12,180 burden hours calculated for the one-time investments these manufacturers were estimated to spend configuring their computer systems to transmit VINs to NHTSA.

Because we are not requiring manufacturers to transmit VINs to NHTSA and update the repair status of recalled vehicles on a daily basis, we believe the burden associated with the added requirement that manufacturers make available

on the internet the VINs associated with their recalled vehicles will be minimal. As discussed earlier, manufacturers are already required to have ready at the agency's request a list of VINs for vehicles covered by each recall. They must also have the status of the remedy of each vehicle on that list at the end of each quarterly reporting period, and so they will know the vehicles (and associated VINs) that have not been remedied and be able to provide updated information. They must, as a practical matter, and in order to meet the requirement that they identify current owners based on State registration data (which is accessed using VINs), be able to provide the States with a list of VINs, and, more than likely, that list would be in an electronic format that can be transferred readily to each State for its use in compiling its list of owner names and addresses associated with each VIN. Any added burden, therefore, is reduced to time and costs associated with making this data available online as well as in a format that adheres to the website guidelines NHTSA is establishing in this final rule.

Many of the large, light vehicle manufacturers covered by this requirement already operate VIN-based safety recall search tools online, either directly sourced or through a third party. At the time the NPRM was published in 2012, twenty-nine (29) light vehicle manufacturers met or exceeded the production volumes used to determine applicability to this new requirement. Using newly updated production figures, we have revised the number of affected manufacturers down to twenty-seven (27). We expect the count of manufacturers to fluctuate given the ever-changing nature of production volumes.
Based on comments received from our NPRM and online research we have conducted, 18 of the 27 manufacturers impacted by this rule already provide a VIN-based recalls lookup service on their website, or through a third party website like www.carfax.com. We found that nine manufacturers do not currently offer this service online so they will bear a higher burden to implement this service. As noted above, we believe that manufacturers already maintain electronic copies of VIN lists as a practical matter of business, so their only burden would be the time associated with updating their websites with this functionality.

To establish a VIN-based recalls lookup service, we estimate that each of these nine manufacturers will spend a total of 12 hours creating the infrastructure needed to add a VIN-based recalls lookup service to their websites. These 12 hours includes the time needed for a senior developer to setup and configure the server (8 hours) and for a mid-level developer to test the security and connectivity of the system (4 hours). We estimate these burdens total 108 hours (9 MFRs x 12 hours).

We estimate that each of these nine manufacturers will also incur labor burdens related to the setup of their online recalls tools. Each manufacturer will need to establish requirements, analysis, and designs for their new recalls lookup tool. Also, additional burdens will stem from: the creation of the VIN search interface; database setup to host the recall information; data refresh procedures to populate

recall information; server side VIN code lookup and recall status retrieval; integration with existing manufacturer website; and application testing. We estimate that these tasks will be performed by a software solution architect (15 hours), a senior web application developer (30 hours), and a mid-level software developer/tester (103 hours), totaling 148 burden hours per manufacturer. We estimate these burdens to total 1,332 hours (9 MFRs x 148 hours).

We also believe these nine manufacturers, who do not currently operate a VIN-based recalls lookup system, will incur certain recurring burdens on an annual basis. We estimate that 100 burden hours will be spent on system and database administrator support. These 100 burden hours includes: backup data management and monitoring; database management, updates, and log management; and data transfer, archiving, quality assurance, and cleanup procedures. We estimate another 100 burden hours will be incurred on web/application developer support. These burdens include: operating system and security patch management; application/web server management; and application server system and log files management. We estimate these burdens to total 1,800 hours each year after the first year (9 MFRs x 200 hours).

All 27 manufacturers impacted by this requirement will be required to meet certain technical access requirements that we have specified in the final rule preamble. These requirements will also allow for NHTSA to provide search results, when requested, to online users of NHTSA's www.safercar.gov website. We included the following software development burdens in our estimate: requirements analysis; API design; API code development; securing the API with a NHTSA key; testing; and API deployment. We estimate these tasks will be performed by a software solution architect (6 hours), a senior web application developer (16 hours), and a mid-level software developer/tester (50 hours), totaling 72 burden hours per manufacturer. We estimate this burden to total 1,944 burden hours (27 MFRs x 72 hours).

Also, we estimate that the one-time VIN list creation, related to the recall campaigns from the past 15 years, will require 60 burden hours. This estimate includes the time needed to for software development (24 hours), data preparation (24 hours), and file naming (12 hours). We calculate that this burden will only be incurred one-time since manufacturers should only need to perform this "seeding" of recalls completion information on older recalls one time. We do not have the data, and comments received in response to our NPRM almost universally did not inform, how far back those search tools reached. Accordingly, we assume that all 27 manufacturers will incur this burden. We calculate a total one-time burden of 1,620 hours total (27 MFRs x 60 hours) associated with this requirement on manufacturers to provide access to 15 years of recalls completion data.

This new requirement will allow these 27 manufacturers to update each recalled vehicle's repair status no less than every 7 days, for 15 years from the date the VIN is known to be included in the recall. This ongoing requirement to update

the status of a VIN for 15 years will add an additional recurring burden on top of the one-time burden to implement and operate these online search tools. We calculate that 8 affected motorcycle manufacturers will now make recalled VINs available for an average of 2 recalls each year and 19 affected light vehicle manufacturers will make recalled VINs available for an average of 8 recalls each year. We believe it will take no more than 1 hour, and potentially much less with automated systems, to update the VIN status of vehicles that have been remedied under the manufacturer's remedy program. We estimate this will add an additional 8,736 burden hours per year (1 hour x 2 recalls x 52 weeks x 8 MFRs + 1 hour x 8 recalls x 52 weeks x 19 MFRs) to support the requirement to update the recalls completion status of each VIN in a recall at least weekly for 15 years.

As to the new requirement that manufacturers utilize NHTSA's new online recalls portal for the submission of all recall documents, we believe there will be minimal burden. Manufacturers typically produce their Part 573 reports by entering the needed data into a computer word processor, emailing and/or printing and mailing their report. NHTSA's new online recalls portal will simply replace the manufacturer's data entry method and delivery with a standardized online form. We do believe there will be some unmeasured burden reduction by having a centralized website where manufacturers can find assistance in conducting their recall and upload all of their recall documents. However, we do estimate a small burden of 2 hours annually in order to set up their recalls portal account with the pertinent contact information and maintaining/updating their account information as needed. We estimate this will require a total of 560 hours annually (2 hours x 280 MFRs).

We recognize that manufacturers will incur additional burden in meeting the new requirement to submit changes or additions to the information supplied in an earlier Part 573 report. In our experience, roughly 10 percent of safety recalls involve a change or addition to the information supplied in a 573 Report. The vast majority of these changes or additions are to only a single, discrete, informational component, such as a change in the number of products to be recalled or a change in the manufacturer's estimation of when it will begin its owner and dealer notifications. As such, these amended reports are relatively simple and straightforward and will require little time to submit through NHTSA's new online recalls portal.

In view of the fact that the requirement to inform NHTSA of a change or update in these recall components is new, we will liberally assume that the number of amended reports will double. Therefore, we assume that 20 percent of Part 573 reports will involve a change or addition. At 30 minutes per amended report, this will add an additional 68 burden hours per year (680 recalls x .20 = 136 recalls; 136 / 2 = 68 hours).

As for the active review of the Part 573 information report conducted within 90 days of the recall's available remedy, we have not adopted this proposal as part of this final rule. This proposal was calculated to add 340 hours each year, but this amount has been removed from our estimate.

As to the requirement that manufacturers notify NHTSA in the event of a bankruptcy, we expect this notification to take an estimated 2 hours to draft and submit to NHTSA. We estimate that only 10 manufacturers might submit such a notice to NHTSA each year, so we calculate the total burden at 20 hours (10 MFRs x 2 hours).

Due to the initial burdens associated with the new requirement that certain vehicle manufacturers make publicly available recall completion information, searchable by VIN, our burden estimate is higher for the first year of this rule. The Part 573 and Part 577 requirements found in today's rule will require 46,138 burden hours in the first year of this rule and then 41,134 hours each subsequent year. Due to this range of estimates, we are including the higher estimate of 46,138 burden hours in our ICR. Accordingly, the requirements of today's final rule will result in an additional 24,768 burden hours a year, for a total of 46,138 burden hours for OMB Control Number 2127-0004.

We estimate that each of these nine manufacturers will also incur labor expenses related to the setup of their online recalls tools. Each manufacturer will need to establish requirements, analysis, and designs for their new recalls lookup tool. Also, additional expenses will stem from: the creation of the VIN search interface; database setup to host the recall information; data refresh procedures to populate recall information; server side VIN code lookup and recall status retrieval; integration with existing manufacturer website; and application testing. We estimate that these tasks will be performed by a software solution architect at a cost of $1,875 (15 hours x $125/hour), a senior web application developer at a cost of $3,300 (30 hours x $110/hour), and a mid-level software developer/tester at a cost of $9,270 (103 hours x $90/hour), totaling $14,445 per manufacturer. We estimate these one-time setup expenses to total $130,005 (9 MFRs x $14,445).

We also believe nine manufacturers who do not currently operate a VIN-based recalls lookup system will incur certain recurring costs on an annual basis. We estimate that these nine manufacturers will spend $8,000 for data center hosting for the physical server. We estimate that $12,000 will be spent on system and database administrator support. This $12,000 estimate includes: backup data management and monitoring; database management, updates and log management; data transfer, archiving, quality assurance, and cleanup procedures. We estimate another $10,000 will be spent on web/application developer support. This $10,000 estimate includes: operating system and security patch management; application/web server management; and application server system and log files management. We estimate these expenses to total $270,000 in the first year, and recurring on an annual basis (9 MFRs x $30,000).

All 27 manufacturers impacted by this requirement will be required to meet certain technical access requirements that will incur expenses. These requirements will also allow for NHTSA to provide search results, when requested, to online users of NHTSA's www.safercar.gov website. We included the following software development burdens in our estimate: requirements analysis; API design; API code development; securing the API with a NHTSA key; testing; and API deployment. We estimate these tasks will be performed by a software solution architect at a cost of $750 (6 hours x $125/hour), a senior web application developer at a cost of $1,760 (16 hours x $110/hour), and a mid-level software developer/tester at a cost of $4,500 (50 hours x $90/hour), totaling a one-time expense of $7,010 per manufacturer. We estimate these one-time technical requirement costs to total $189,270 (27 MFRs x $7,010).

As for costs associated with notifying owners and purchasers of recalls, we estimate this costs $1.50 per notification on average. This cost estimate includes the costs of printing, mailing, as well as the costs vehicle manufacturers may pay to third-party vendors to acquire the names and addresses of the current registered owners from state and territory departments of motor vehicles. In reviewing recent recall figures, we determined that an estimated 20 million letters are mailed yearly totaling $30,000,000 ($1.50 per letter x 20,000,000 letters). The changes to Part 577 requiring a manufacturer to notify their affected customers within 60 days would add an additional $7,500,000 (20,000,000 letters x .25 requiring interim owner notifications = 5,000,000 letters; 5,000,000 x $1.50 = $7,500,000).

In total we estimate that the Part 577 requirements along with the new requirement to require notifications within 60 days will cost manufacturers a total of $37,500,000 annually ($30,000,000 owner notification letters + $7,500,000 interim notification letters = $37,500,000).

We estimate the incremental costs associated with today's amendments total $8.13 million ($634,275 for Part 573 VIN changes +$7.5 million in recall notification letters) in the first year. We estimate $7.5 million recurring costs annually in the second and subsequent years for recall notification letters and $270,000 recurring costs annually for nine manufacturers to service and maintain their online VIN based recalls lookup tools, for a total of $7.77 million recurring costs annually.

13. Provide estimates of the total annual cost to the respondents or record keepers resulting from the collection of information.

As a result of the burden hours estimated above, several of the changes we adopt today involve investment as well as recurring costs. We estimate these costs as follows:

We estimate that nine manufacturers will incur start-up costs related to the infrastructure needed to implement VIN based online recalls lookup tools. We believe these manufacturers will need to purchase and configure physical servers ($2,000) and the requisite licenses needed for operating systems, application servers, and database servers ($1,600). We estimate that these manufacturers will pay a senior developer $1,000 (8 hours x $125/hour) for server setup and configuration. We estimate that these manufacturers will also pay a mid-level developer $400 (4 hours x $100/hour) for security and connectivity testing. We estimate these one-time infrastructure costs to total $45,000 (9 MFRs x $5,000).

14. Provide estimates of the annualized costs to the Federal government.

We estimate the costs to the agency in these four business areas as follows:

(1) Manufacturer Recalls Portal (Secure Public Application)

Task #1 : Estimate Costs to the Government (Labor only)			
Functional Area	Labor Hours	Avg. CSC Labor Costs (per hour)	Totals
Analysis	20	$110	$2,200
Requirements	20	$110	$2,200
Design	32	$84	$2,688
Development	40	$110	$4,400
Testing	16	$100	$1,600
Deployment	8	$105	$840
Documentation	16	$74	$1,184
Totals:	152		$15,112

(2) ODI Private Recalls Portal –

These costs reflect the development effort to modify the existing Artemis private recalls portal to accommodate the electronic submission of recall notices and quarterly reports and to facilitate notifications to staff and electronic storage. Assumptions:

- Email notification to select RMD staff upon submittal of a new record including who submitted it, the subject, and a unique identifier.
- Create a DRAFT record in the Artemis Private Recalls Portal (PRP) with the unique identifier.

- The DRAFT record in the PRP shall contain a new field on a new tab called “MFR DATA” adjacent to the existing tabs for DESCRIPTION, CONSEQUENCE, REMEDY, NOTES, ETC.
- The entire relational content submitted by the MFR and a hyperlink to any associated attachments shall be merged into the MFR DATA field.
- Any attachments submitted MFR shall be stored in an internal repository folder and accessible by a hyperlink identified in #4 above.
- Where there is a one-to-one relationship, relational data from the Secure MFR Recalls PORTAL (1) shall be merged into the corresponding field in the PRP.

Estimate Cost						
Task No.	Task Name	Analyst	Mid-Engineer	Sr. Engineer	PM, ACQ, etc.	Total Cost by Task
2	Private Recalls Portal (PRP)	$34,100	$33,250	$63,480	$22,560	$153,390

(3) ODI Retrieves MFR Recalls Info (using REST API)-

These costs reflect developing a process and architecture to leverage the REST API developed by each manufacturer to facilitate retrieval of VIN-based recall data.

Assumptions:

- Assumes an automated function whenever a request is made by a consumer.
- NHTSA/ODI makes a secure request to each manufacturer per its WMI.
- Allows only one VIN per data call.
- NHTSA does not save VIN on SaferCar for any duration beyond that necessary to render results to requester and file a complaint in same session only.
- Results set will return up to no more than 10 fields of data.
- The fields containing the most data are RECALL DESCRIPTION and RECALL REMEDY as currently found in Artemis Recall portal.
- Only structured data will be returned (no images).

Estimate Cost						
Task No	Task Name	Analyst	Mid-Engineer	Sr. Engineer	PM, ACQ, etc.	Total Cost by Task
3b	RCLs Data Pull (by	$8,140	$8,550	$9,720	$2,822	$29,232

	Safercar APP)					

(4) NHTSA Recall (SaferCar) Application

These costs reflect modifications to the public webservice to create a Safercar.gov webpage where a consumer can enter one VIN at a time and receive the same query results that are required of the manufacturers. The only differences is that we will provide a means to file a complaint and will not also include non-safety results such as customer satisfaction campaigns, extended warranties, etc.

Assumptions:

- Follow standard template for SaferCar webpages.
- Include link to file a complaint and prepopulate with VIN searched in same session.
- Display same fields returned from the REST API at a minimum.

Estimate Cost						
Task No.	Task Name	Analyst	Mid-Engineer	Sr. Engineer	PM, ACQ, etc.	Total Cost by Task
4	Safercar RCLs by VIN Lookup	$8,800	$9,310	$8,640	$2,837	$29,587

In summary, we estimate the total one-time cost for NHTSA to be $227,321 ($15,112 + $153,390 + $29,232 + $29,587).

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

The programmatic reasons for the program changes and adjustments reported in Items 13 and 14 are described in response to Item 1 of this document, and are explained in detail in the Final Rule document we have supplied. The numerical calculations associated with the burdens and costs associated with these changes and adjustments were discussed in Items 13 and 14, and are also explained in the Final Rule document we have supplied.

The source for much of the changes in costs and burden hours is statutory. In July 2012, Congress enacted the Moving Ahead for Progress in the 21st Century (MAP-21) Act, Pub. L. No. 112-141, 126 Stat 405 (July 6, 2012). Section

31301(a) of the Act mandates that the Secretary of Transportation require that motor vehicle safety recall information be made available to the public on the Internet, be searchable by vehicle make, model and VIN, be in a format that preserves consumer privacy, and includes information about completion of the particular recall. Section 31301(b) of the Act provides that the Secretary may conduct a rulemaking to require each manufacturer to provide this safety recall information on a publicly accessible Internet website.

In order to implement this requirement, we are requiring motor vehicle manufacturers that manufacture 25,000 or more light vehicles annually, or 5,000 or more motorcycles annually, to provide a VIN-based safety recalls search mechanism available to the public on the Internet. A link to the manufacturer's safety recalls look-up function must be conspicuously placed on the main page of the manufacturer's United States' main web page. However, where that link directs a user to enter a VIN and return a result, we leave to the discretion of the manufacturer. Manufacturers, for example, may choose to operate the search from their web page, or choose to have the user redirected from the link on their main U.S. web page to a third party's web page. No matter where the search function is housed, the function must in all cases meet the minimum requirements of Section 31301(a) of MAP-21, as well as minimum performance requirements.

Specifically, we are requiring that high volume, light vehicle manufacturers provide a VIN-based recalls lookup tool on their own websites or third-party websites. In addition, we have specified certain performance-based criteria for those sites to ensure consistent and reliable search results for a wide range and age of light vehicles and motorcycles. The safety recalls search function must: (1) be available to the public on the Internet; (2) be searchable by vehicle make and model and VIN; (3) be in a format that preserves consumer privacy; and (4) includes information about each recall that has not been completed for each vehicle. It must also meet the performance requirements listed below, which will be adopted into a new section fifteen of Part 573.

(1) Be free of charge and not require users to register or submit information, other than a make, model, and a VIN, in order to obtain information on recalls;

(2) Have a hyperlink (Internet link) to it conspicuously placed on the manufacturer's main United States' web page;

(3) Not include sales or marketing messages with the page for entering a make, model, and VIN, or with the page where the results are displayed;

(4) Allow users to search a vehicle's recall remedy status, and report that a recall has not been completed on that vehicle, as soon as possible and no later than the date when the manufacturer includes that vehicle on its list compiled for purposes of 49 CFR §573.8(a);

(5) Ensure safety recalls subject to 573.15 (b)(4) are conspicuously placed first before any other information that is displayed;

(6) For vehicles that have been identified as covered by a safety recall, but for which the recall remedy is not yet available, state that the vehicle is covered by the safety recall and that the remedy is not yet available;

(7) Be updated at least once every seven (7) calendar days. The date of the last update must display on both the page for entering the make, model, and VIN to search for recall completion information and the results page;

(8) Where the search results in identification of a recall that has not been completed, provide the recall campaign number NHTSA assigned to the matter; state the date the defect or noncompliance was reported pursuant to Part 573; provide a brief description of the safety defect or noncompliance identified in the manufacturer's information report filed pursuant to this Part; describe the risk to safety consistent with the manufacturer's description given in the terms required by Parts 573 and 577; and describe the remedy program;

(9) At a minimum, include recall completion information for each vehicle covered by any safety recall for which the owner notification campaign started at any time within the previous fifteen (15) calendar years;

(10) State the earliest date for which recall completion information is available, either on the search page or on the results page, and provide information for all owner notification campaigns after that date;

(11) Instruct the user to contact the manufacturer if the user has questions or wishes to question the accuracy of any information, and provide a hyperlink or other contact information for doing so;

(12) Ensure, through adherence with technical specifications that NHTSA makes available through a secure area of its website http://www.safercar.gov/Vehicle+Manufacturers/RecallsPortal, the secure electronic transfer of the recall information and data required to be made publicly available by this section, to NHTSA for its use in displaying that information and data on its websites or other public portals.

Although we have adopted the proposal for certain manufacturers to host recall information on their websites, the agency intends to offer a similar function to the public through its website, www.safercar.gov. NHTSA currently offers a reliable and current safety recalls search function that can be effectively and efficiently updated to incorporate a recalls search function by VIN. In our view, NHTSA should improve its utility in the interest of advancing recalls completion by adding a VIN look-up tool to the make, model, and model year capability it already offers.

To be able to do so, however, requires cooperation from the manufacturers that are being required by this rule to develop or modify their software systems. These manufacturers must allow secure electronic transfer of manufacturer recall data, for one VIN at a time, to NHTSA's software applications. Accordingly, we have included a performance criteria above (number 12) to facilitate this relationship and transfer that will allow NHTSA to essentially perform a data call to a manufacturer specific Application Programming Interface (API), at a given URI, using a predefined identification and key combination.

We emphasize that any information transferred will not be stored, saved or retained by NHTSA. Once the recalls results are displayed on the user's browser via the NHTSA website the NHTSA system does not save the VIN or results. NHTSA will not be accessing the manufacturer's dataset in any manner other than to search for a VIN and report back the completion result the manufacturer's tool is required by today's rule to report back. The only difference is the web location where the result is displayed. Manufacturers have the ability and flexibility to design their dataset and search tools systems to effectively limit our access to this very narrow and limited purpose.

The complete communication from the user's browser to the website, to the manufacturer's system to request the recall information via the API, and the response back from the manufacturer's system to the NHTSA system and then to the user's browser, will be protected by Secure Socket Layer (SSL) encryption using Hyper Text Transfer Protocol (HTTP).

Manufacturers that are required to provide an online recalls search tool must provide information on uncompleted recalls for at least 15 years from the date they first provided the list of covered VINS to their dealers for a particular recall.

In addition to the new statutory requirement, we are implementing a number of measures in our effort to improve the information the agency receives from recalling manufacturers concerning the products they are recalling and the plans for remedying those products, in addition to our distribution of that information to the affected public. These programmatic changes are being made through adjustments to our regulatory provisions and will add some burden and cost. Again, the specific numeric calculation for each change or adjustment is reflected in Items 13 and 14, above.

We are requiring certain additional items of information in a manufacturer's Part 573 Information Report. These additional items include: an identification and description of the risk associated with the safety defect or noncompliance with a FMVSS, and, as to motor vehicle equipment recalls, the brand name, model name, and model number, of the equipment recalled.

We are requiring that manufacturers submit, through a secure, agency-owned and managed web-based interface or portal, www.safercar.gov, required Part 573 Information Reports and other recall-related reports, information, and associated documents. This will improve our efficiency and accuracy in collecting and processing important recalls information and then distributing it to the public. It will also reduce what is a current and significant allocation of agency resources spent translating and processing the same information that is currently submitted in a free text fashion, whether that text is delivered via a hard copy, mailed submission, or delivered electronically through e-mail. The requirement that manufacturers electronically notify and file Part 573 Information Reports and other recalls-related information using our portal is effective one year from the date our final rule is published. We are requiring that manufacturers supply new or missing Part 573.6 (b) Report Information within five working days of when the accuracy of the information has been confirmed.

In order to ensure that owners are promptly notified of dangerous safety defects and failures to meet minimum safety standards, we are requiring that a manufacturer mail notification letters to owners and purchasers within 60 days of the manufacturer's safety defect or noncompliance notification to the agency. We will require that all notification letters include the phrase "IMPORTANT SAFETY RECALL" in all capitals letters and in an enlarged font at the top of those letters, and that for vehicle recalls, the manufacturer place the VIN of the owner's vehicle affected by the safety defect or noncompliance, within the letter. Beneath this, for vehicle recalls, will be the statement: "This notice applies to your vehicle, (manufacturer to insert VIN for the particular vehicle, then followed beneath by an opening statement: "This notice is sent to you in accordance with the National Traffic and Motor Vehicle Safety Act."

It shall also imprint on the outside of this envelope a label, one inch by three inches in size and located on the front of the envelope. The label to be used is located at http://www.safercar.gov/Vehicle+Manufacturers/RecallsPortal/SafetyRecallLabel . This label shall not be used for any purpose other than compliance with this paragraph by any entity outside of the Department of Transportation. Each manufacturer must submit the envelope format it intends to use to the NHTSA's Recall Management Division at least five Federal Government business days before mailing the notification to owners, except where this division has previously approved the format of the envelope. Notification sent to an owner whose address is in the Commonwealth of Puerto Rico shall be written in both English and Spanish.

Lastly, we are requiring that manufacturers notify the agency in the event they file for bankruptcy. We are requiring this so that we can better preserve our ability to consider and take those measures necessary to protect options for ensuring recalling manufacturers continue to honor obligations to provide free remedies to owners of unsafe vehicle and equipment products.

Again, the specific numeric burden and cost implications of these changes and adjustments is reflected in Items 13 and 14. However, to provide a gross and high-level overview of the changes in burden hours and costs:

Previous estimated number of respondents: 175
New estimated number of respondents: 280

Previous burden hour clearance: 21,370
New estimated burden hour: 46,138
Difference in burden hours: 24,768

New monetary costs for respondents:

$8.13 million in the first year. $7.5 million recurring costs annually in the second and subsequent years. $270,000 recurring costs annually for nine manufacturers to service and maintain their online VIN based recalls lookup tools, for a total of $7.77 million recurring costs annually.

New monetary costs for the government: $227,321.

16. For collections of information whose results are planned to be published for statistical use, etc.

Not applicable.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Approval is not sought to not display the expiration date for OMB approval.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

No exceptions to the certification statement are made.