

SUPPORTING STATEMENT
OMB No. 2127-0616
FOR 49 CFR Part 579

Reporting of Information and Documents about Potential Defects

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.

The Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act (Public Law 106-414) was enacted on November 1, 2000. This Act includes a requirement that the National Highway Traffic Safety Administration (NHTSA) conduct Early Warning Reporting (EWR) rulemaking to require manufacturers of motor vehicles and motor vehicle equipment to submit information, periodically or upon NHTSA's request, that includes claims for deaths and serious injuries, property damage data, communications from customers and others, information on incidents resulting in fatalities or serious injuries from possible defects in vehicles or equipment in the United States or in identical or substantially similar vehicles or equipment in a foreign country, and other information that would assist NHTSA in identifying potential safety-related defects. The intent of this legislation is to provide early warning of such potential safety-related defects.

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.

The Early Warning information sought by NHTSA is used to promptly identify potential safety-related defects in motor vehicles and motor vehicle equipment in the United States. When a trend in incidents arising from a potentially safety-related defect is discovered, NHTSA relies on this information, along with other agency data, to determine whether or not to open a formal defect investigation. NHTSA is authorized to conduct such investigations by Title 49 U.S.C. Chapter 301 – Motor Vehicle Safety. Since its inception in late 2003 EWR data continues to assist in identifying potential safety-related issues. Some of these investigations have influenced safety-related recalls and service campaigns.

Information about safety campaigns conducted by manufacturers in foreign countries on products identical to or substantially similar to products sold in the United States, but not conducted on the U.S. products, provides NHTSA the opportunity to decide whether or not the situation warrants a formal investigation or whether or not, when considering this and other relevant information, there

should be a recall of the U.S. products. The agency influenced some domestic recalls based on submissions of information on foreign campaigns.

Notices, bulletins, customer satisfaction campaigns, consumer advisories, and other communications that manufacturers provide to dealers, lessor, lessee, and owners provide NHTSA the opportunity to decide whether or not the information in the documents may warrant a potential safety defect.

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.

The great majority of Early Warning information collected by NHTSA involves the use of electronic technology. Most of the required data is submitted using electronic filing of standard format spreadsheets; and copies of documents, where required, are submitted using standard graphics image transfer in most cases. NHTSA's Office of Defects Investigation (ODI) has developed a new data system for its operations, and a key part of this data system is the functional capability to receive electronic transfer of EWR data. This includes an Internet data repository through which the reports can be submitted. Over 90 percent of the EWR data submitted by manufacturers utilize electronic submission. NHTSA has closely coordinated the design of the data system to accommodate manufacturers' needs. If a manufacturer does not have the capability to utilize electronic submission (i.e. high speed data transfer), alternatives are available, including electronic forms on NHTSA's web site.

The information collected on foreign safety campaigns consists of a document, which could be created using word processing software, submitted by means of regular mail. Alternatively, the regulation permits electronic submission in the same manner that the Early Warning data is submitted.

Notices, bulletins, customer satisfaction campaigns, consumer advisories, and other communications that manufacturers provide to dealers, lessor, lessee, and owners are allowed to be submitted to NHTSA by mail, by facsimile or by email. Most manufacturers submit them by email (about 75 percent), some manufacturers send in paper copies by mail and others send in electronic copies on disk by 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.

NHTSA is the only governmental agency that requires manufacturers to submit this information consequently; there is no duplication of the data submitted and the information is not already available.

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.

Light vehicle manufacturers, trailer manufacturers, motorcycle manufacturers, and medium and heavy truck manufacturers of fewer than 5,000 vehicles, emergency vehicle manufacturers of fewer than 500 vehicles, and bus manufacturers of fewer than 100 buses, as well as manufacturers of motor vehicle equipment other than tires and child restraint systems, will be exempt from most of the reporting requirements, and will be required to report only claims and notices of deaths caused by possible defects in their products. Although the EWR requirements may impact small child restraint, tire, some bus and emergency vehicle manufacturers, NHTSA has used the EWR data to influence a significant number of recalls. Therefore, the agency believes that the injury reducing and life saving benefits of removing defective equipment from our roads outweighs the burden to these small businesses.

With regard to foreign safety campaigns, this information collection can impact small businesses, however the information that is required has been set at the minimum necessary to describe the safety recall or safety campaign and how it potentially affects identical or similar products sold in the United States.

6. Describe the consequences 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.

The information is essential to the implementation of EWR. Without it, the objectives of the TREAD Act cannot be achieved. These include reducing the number of motor vehicle crashes, and the number of associated injuries and deaths by providing early warning of safety-related defects. The regulation will continue to require quarterly reporting because the frequency of reporting affects the timeliness of the action that could be taken to prevent motor vehicle crashes, injuries and fatalities caused by safety-related defects.

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

The procedures specified for this data collection are fully consistent with the guidelines set forth in 5 CFR 1320.6. This quarterly information collection is not in connection with a statistical survey, does not require the use of any statistical data classification whether or not reviewed or approved by OMB, does not include any pledge of confidentiality other than that already established in statute or regulation, and does not require submission of proprietary trade secrets or other

confidential information other than information for which protection from disclosure is already provided for by statute or regulation. With regard to foreign safety campaigns, the TREAD Act requires that reports be submitted within 5 days of the triggering event in a foreign country, rather than quarterly.

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 published a Federal Register notice for the extension of this collection on October 11, 2106 (*See* 81 FR 70264). No public comments were filed in response to the 60-day notice.

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.

NHTSA's Confidential Business Information (CBI) regulation, 49 C.F.R. part 512. 72 Fed. Reg. 59434 (Oct. 19, 2007) issued early warning class determinations that certain classes of EWR information are confidential. These classes are warranty claims, warranty adjustments for tires, field reports and hard copies of field reports, consumer complaints, common green tire identifiers and production data for equipment and vehicles other than light vehicles. In addition, NHTSA determined that the last six (6) characters of the Vehicle Identification Number (VIN) in information related to EWR death and injury incident reports are confidential.

The CBI regulation did not establish class determinations for death or injury claims or notices, property damage claims or production information for light vehicles. If a manufacturer seeks confidential treatment of the data, it must submit a request for confidentiality in accordance with NHTSA's regulations for granting confidential treatment, 49 C.F.R. part 512, *Confidential Business Information* and NHTSA will provide confidentiality, 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.

On October 11, 2016, the Agency proposed to revise estimates to better align with current EWR volume and remove certain first-year burden estimates associated with a 2013 final rule which added four new component codes to EWR reporting (see 78 FR 51382). That document is attached and contains a detailed estimate of 49,243 burden hours, a decrease of 35,950 burden hours previously approved for this collection.

Breakdown of Burden Hours for TREAD Act Requirements and Associated Cost

Reporting Type	Annual Burden Hours	Associated Costs (\$)
EWR Reporting	47,514	\$6,581,741
Foreign Reporting	1,146	\$141,572
Part 579.5 Submissions	583	\$60,779
Total	49,243	\$6,784,092

We previously estimated 1,228 annual responses from manufacturers submitting aggregate data. That estimate is now revised to 1,345 responses for this renewal.

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

There are no additional cost to the respondents or recordkeepers.

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

EWR information is entered into the data system that has been developed by ODI and subsequently analyzed. NHTSA estimates that the annualized cost estimate for EWR data is: \$1,100,000 for collecting and processing, \$50,000 for PC and network support, and \$400,000 for compliance and outreach. Total cost of \$1,550,00.00.

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

While the number of respondents increased a small amount (292 manufacturers reporting across all categories versus the 281 manufacturers previously reported), the number of submissions has increased in reporting years 2013, 2014, and 2015. Due to recent increases in EWR reporting, we now estimate 100,683 EWR documents are submitted annually. The 100,683 submission total represents a 17% increase from the currently approved information collection. Submission

totals for each category have risen with an average of 9,804 injury and fatality claims (previously 6,041 claims), 11,481 property damage claims (previously 11,402 claims), 79,297 manufacturer field reports (previously 68,574 field reports), 101 foreign death claims (previously 41 claims), totaling 100,683 submissions on average (previously estimated at 86,058 submissions).

We estimate the current burden hours for industry to comply with the EWR requirements, foreign campaign requirements and Part 579.5 requirements total 49,243 burden hours (47,514 for EWR requirements + 1,146 hours for foreign campaign requirements + 583 hours for Part 579.5). This is a decrease of 35,950 hours from the currently approved collection, mostly due to the one-time costs we previously estimated and have now removed from this collection

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

NHTSA's Confidential Business Information (CBI) regulation, 49 C.F.R. part 512. 72 Fed. Reg. 59434 (Oct. 19, 2007) issued early warning class determinations that certain classes of EWR information are confidential. These classes are warranty claims, warranty adjustments for tires, field reports and hard copies of field reports, consumer complaints, common green tire identifiers and production data for equipment and vehicles other than light vehicles. In addition, NHTSA determined that the last six (6) characters of the Vehicle Identification Number (VIN) in information related to EWR death and injury incident reports are confidential.

The CBI regulation did not establish class determinations for death or injury claims or notices, property damage claims or production information for light vehicles. If a manufacturer seeks confidential treatment for these data, it must submit a request for confidentiality in accordance with NHTSA's regulations for granting confidential treatment, 49 C.F.R. part 512, *Confidential Business Information*.

EWR death and injury data, property damage claims or production information for light vehicles that has not been granted confidential treatment by NHTSA's Office of Chief Counsel is available on the safercar.gov website under EWR Information (<http://www-odi.nhtsa.dot.gov/ewr/>). The data on NHTSA's website is periodically updated to include the latest EWR death and injury data, property damage claims or production information for light vehicles.

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.