SUPPORTING STATEMENT

*New Collection of Information*

State Notification to Consumers

of Motor Vehicle Recall Status

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.

NHTSA is responsible for reducing deaths, injuries and economic losses resulting from motor vehicle crashes. This is accomplished by, among other things, setting safety performance standards for motor vehicles and motor vehicle equipment, investigating safety defects, and taking appropriate enforcement action when motor vehicles and motor vehicle equipment are noncompliant or contain safety defects.

The National Traffic and Motor Vehicle Safety Act, 49 U.S.C. §§ 30101, *et. seq.*, as amended (the Safety Act), requires a motor vehicle manufacturer to notify the owners and purchasers of its vehicles of a safety-related defect, or that the vehicle does not comply with an applicable Federal motor vehicle safety standard.[[1]](#footnote-2) A vehicle manufacturer must provide notice of a recall, in a manner prescribed through regulation by NHTSA, to each person registered under State law as the owner and whose name and address are reasonably ascertainable by the manufacturer through State records or other available sources or, if a registered owner is not notified through State registration information, to the most recent purchaser known to the manufacturer.[[2]](#footnote-3)

In order to identify owners of vehicles subject to a safety-related recall and provide notification to them, a motor vehicle manufacturer typically contracts with a third party that obtains vehicle registration data for the affected vehicles from State motor vehicle administrations. The motor vehicle manufacturer then notifies owners and purchasers by U.S. Mail about the safety recall and, among other things, how to obtain a remedy to fix the defect or noncompliance.[[3]](#footnote-4) To obtain a remedy, the consumer must then present the recalled motor vehicle to an authorized dealer for the dealer to remedy the defect or noncompliance. 49 U.S.C. § 30120.

Recall completion rates can and do vary widely depending on a variety of factors such as the age and type of vehicle, as well as owners’ perception of relative risk. Considering this wide range, regardless of completion averages, there are at any time tens of millions of vehicles on the road with unremedied safety defects or noncompliances, each one creating a safety risk. NHTSA and the motor vehicle industry have sought to improve notice of safety-related defects to owners and to develop ways to increase the rate at which owners complete the remedy identified in the notice.

In 2016, in accordance with Section 24105 of the Fixing America’s Surface Transportation (FAST) Act, Pub. L. No. 114-94, NHTSA announced a pilot program to evaluate the feasibility and effectiveness of a State process to inform consumers of open motor vehicle recalls at the time of motor vehicle registration. The grant was conditioned upon a State having the capability to use a vehicle identification number (VIN) to identify whether the specific vehicle was subject to an open safety recall. In 2017, NHTSA awarded the Maryland Motor Vehicle Administration a grant to provide vehicle owners and lessees notice of open safety related recalls on their vehicles. Maryland began notifying vehicle owners and lessees in the Spring of 2018.

Since the start of the Maryland notification program, several States have expressed an interest in partnering with NHTSA to provide similar recall notification to consumers in their states. While the Maryland Pilot Program offers a promising effort to increase consumer awareness to repair open safety recalls (and an opportunity to measure the effectiveness of such notification), additional notification by State DMVs would increase consumer awareness of open safety recalls and increase the repair rate of recalled vehicles. NHTSA believes such efforts will ultimately reduce the risk of a crash or injury due to a safety defect. Under its existing authority provided in the Safety Act, NHTSA is offering this opportunity to further develop this State to consumer notification to increase awareness of open recalls. NHTSA is soliciting applications from States and expects to receive approximately twenty (20) applications for this funding opportunity. The funding opportunity is expected to be awarded to up to six (6) States to establish a recall notification program for the vehicle registration process.

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 purpose of this information collection is to obtain applications that will allow NHTSA to award States that demonstrate effective recall notification methods to improve highway safety. These applications will be solicited through a Notice of Funding Opportunity posting on [www.grants.gov](http://www.grants.gov). The application will require that the State provide information about how the State would use grant funds in a program designed to notify vehicle owners of open safety recalls on their vehicles at the time of motor vehicle registration. Specifically, the application/proposal must fully describe the scope of the project, providing a project plan detailing the activities and costs for which funding is being requested. Also, applications for this program must include the following information in the program narrative statement:

* A table of contents including page number references.
* A description of the applicant’s methodology for determining open motor vehicle recalls. The description must be specific and address the source of the data, how the data will be obtained by the applicant, how the applicant proposes to integrate the data into its registration process and system, and how the applicant will maintain the quality, completeness and timeliness of the data. Identify any third-party vendor that the applicant proposes to engage to obtain the open recall data.
* A description of the applicant’s methodology for informing a consumer of an open motor vehicle recall when a motor vehicle is presented for registration with the State. The applicant must be specific and address the format for notification for each method in which an owner or lessee may register a motor vehicle in the State. The applicant must include the proposed language informing the consumer of an open motor vehicle recall. Any notice must include, at a minimum, a brief description of the safety defect or noncompliance, a statement of the risk to safety, and a statement that the authorized dealer will remedy the vehicle at no charge. Identify any other touchpoints where a State may contemplate providing notification such as driver’s license renewal, emissions or safety inspections.
* A description of the data that the applicant will maintain on each motor vehicle registered during the program’s period of performance. The applicant must be able to obtain and maintain data and provide it in an easily accessible format (e.g. Microsoft Access or Excel). For each motor vehicle registered, the applicant must be able to identify the make, model, model year, VIN, date of vehicle registration, the existence of an open recall at the time of registration, manufacturer’s recall identification number or NHTSA’s identification number, if applicable, the format of the notification to the consumer of the existence of an open recall, and the date the remedy was obtained. The applicant may maintain additional information that it believes would be helpful to implement and evaluate the notification program. This information must be identified by the applicant.
* A description of the plan to evaluate performance of the notification program to determine the extent to which an open recall has been remedied, including how information and data will be obtained, compiled, analyzed, and reported. The applicant must specifically identify the data required to evaluate performance. This should be more than a process evaluation.
* Demonstrated capability of technical and management skills to successfully design, conduct, and evaluate the notification program. The applicant may identify other Federal or State grants, or programs similar to this effort that have been undertaken by the applicant. The applicant should demonstrate that such similar programs have resulted in timely, adequate and complete projects. The applicant should also include a narrative description of documented experience, clearly indicating the relationship of similar programs to this project and provide details such as project description and sponsoring agency. References to completed final project reports should include the author’s name and contact information if available.
* The applicant must identify any potential challenges to successfully implementing the notification program or any challenges that may impede the ability of the applicant to obtain open motor vehicle recall data, inform owners or lessees of open recalls or evaluate the performance of the notification program. In addition, the applicant must explain if there has been or could be any major changes within the State that may enhance or, more importantly, jeopardize the success of this program.
* A description of how the proposed project will be managed. The application shall identify the proposed project manager and other personnel considered critical to the successful accomplishment of the project, including a brief description of their qualifications and respective organizational responsibilities. The role and responsibilities of the applicant and any others included in the application package shall be specified. The proposed level of effort in performing the various activities shall also be identified.
* The applicant must furnish an organizational chart and résumés of each proposed staff member.
* A detailed explanation of time schedules, milestones, and product deliverables, including quarterly reports and draft and final reports.

This collection of information varies depending on the state applicant’s chosen method for application submission. NHTSA will allow States to submit the required information through e-mail or physically mailed to NHTSA’s Office of Acquisition Management. The application will be open to all States and will request information that NHTSA will use to make decisions about distributing grant funds to assist in developing recall notification programs during the vehicle registration process.

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 collection of information, constrained to the application for a voluntary grant opportunity, can be submitted through e-mail or physically mailed to NHTSA’s Office of Acquisition Management.

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.

As this information collection is limited to the application for a voluntary funding opportunity with NHTSA, there is no other NHTSA-opportunity that may cause 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.

The collection of information involves state motor vehicle registration authorities, which are not considered small businesses or entities.

1. 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 this information collection, NHTSA would be unable to collect applications from States seeking funds to support State activities aimed at increasing recall remedy rates. At any given time, there are tens of millions of vehicles on the road with unremedied safety defects or noncompliances, each one creating a safety risk. NHTSA and the motor vehicle industry have sought to improve notice of safety-related defects to owners and to develop new ways to increase the rate at which owners complete the remedy identified in the notice. NHTSA believes additional notification by State DMVs would increase consumer awareness of open safety recalls and increase the repair rate of recalled vehicles.

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.

The Federal Register notice (Volume 84, Number 88 (May 7, 2019) soliciting public comments on this collection of information, received three public comments in response to this notice.

The Ohio Department of Public Safety, Bureau of Motor Vehicles (BMV) commented in support of the proposed funding opportunity noting that they have “begun exploratory phases for implementing such a program and are hoping to have a pilot project operational by January 1, 2020.” Ohio’s BMV briefly outlined its intended program to notify both new registrants and owners renewing their registrations of outstanding safety recalls. While Ohio’s BMV did not specifically comment on the proposed burden of applying for such a funding opportunity, it did note that the long-term feasibility of such a program may be dependent of the availability of Federal funds.

The National Automobile Dealers Association (NADA) also filed a comment in support of the proposed funding opportunity, stating that it “supports NHTSA’s intent to solicit a new round of applications for state recall notification pilot programs, especially given the “attention-getting” nature of state registration notices and the fact that registration renewals cover almost all vehicles with open recalls.” Considering NHTSA only issued one (1) voluntary grant to the state of Maryland during a similar program in 2016, NADA did specify three concerns regarding the burden estimated for states to apply for such a grant program.

1. NADA suggested NHTSA should review, and, where possible reduce, the burdens related to the funding opportunity.
2. NADA suggested NHTSA contact all state DMVs to inform them of the available voluntary funding opportunity.
3. NADA suggested that NHTSA should discuss solutions to any potential barriers with the American Association of Motor Vehicle Administrators (AAMVA).

NHTSA thanks NADA for its comment in support of the proposed funding opportunity for a state recall notification program. NHTSA notes, however, that the proposed application forms outlined in the 60-day notice are the forms required by OMB for all funding opportunities, in accordance with 2 CFR Part 200. NHTSA intends to publish the Request for Applications (RFA) for this opportunity to [www.grants.gov](http://www.grants.gov) and will ensure stakeholders are notified about its availability, once posted. NHTSA appreciates all comments from stakeholders concerning application barriers, as requested in this notice.  During the application process, NHTSA may address questions from applicants.

The third comment was filed by The Center for Auto Safety (CAS) who stated “The Center is fully supportive of this funding opportunity and agrees the proposed collection of information is necessary for the Department’s ability to fulfil its statutory mission of keeping consumers safe on the road.” CAS outlined the standard recall notification process, carried-out by vehicle manufacturers, and noted that the state of Maryland, under a similar funding opportunity issued in 2016, has seen over 150,000 recall remedies performed since initiating their state recall notification program. CAS did not comment on the proposed burden estimates for applying for such a funding opportunity.

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.

If a State DMV requests confidential treatment of business information, NHTSA will provide confidentiality, as appropriate, per 49 CFR Part 512. No names or other personally identifiable information, if included in documents submitted, will be disclosed without explicit authorization per the provisions of The Privacy Act of 1974 - 5 U.S.C. 552a, as amended.

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.

While this funding opportunity will be made available to all states, NHTSA anticipates an estimated twenty (20) state applications. NHTSA will require these applications not exceed 25 pages (not including resumes or appendices). NHTSA will also require OMB Standard Form (SF) 424 (including 424 “Application for Federal Assistance,” 424A “Budget Information for Non-Construction Programs,” and 424B “Assurances for Non-Construction Programs”), with the required information filled in and certified assurances signed.[[4]](#footnote-5) NHTSA estimates the burden for completing these applications at 3,200 hours total (160 hours x 20 state applicants = 3,200 hours) to allow each applicant thirty (30) days to conduct the necessary research, design their program, and complete the application package.

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| **Burden Description** | **Hour Estimate** |
| State Application | 160 hours (or 30 days) |
|  | x 20 state applications |
| **Total** | **3,200 hours** |

NHTSA estimated the total annual cost associated with the labor hours using the Bureau of Labor Statistics’ mean wage estimate for Office and Administrative Support Occupations (Standard Occupational Classification #43-0000 from May 2018) of $18.75.[[5]](#footnote-6) Using the Bureau of Labor Statistics’ estimate that for State and local government workers, wages represent 62.4% of total compensation,[[6]](#footnote-7) NHTSA estimates the total compensation cost per hour to be $30.05 ($18.75/hr ÷ .624 = $30.05) Therefore, NHTSA estimates the compensation costs associated with the estimated 3,200 burden hours to be $91,160 (3,200 hours × $30.05 per hour = $91,160).

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| **Cost Description** | **Cost Estimate** |
| Avg. hourly wage for state employee completing application | $30.05/hr |
|  | x 3,200 hours |
| **Total** | **$96,160** |

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

NHTSA believes that, except for the cost of the hours of burden (noted above in #12), there will be no other costs resulting from this collection of information.

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

NHTSA estimates that approximately three (3) Federal employees will be tasked with reviewing the received state applications to select the most technically sound applications for the grant awards. These Federal employees will be selected from NHTSA’s Office of the Chief Information Officer and Office of Defects Investigation and their salary figures are expected to align with GS-13 level wages. According to the Office of Personnel Management’s online salary tables, the average GS-13 level employee in the Washington, DC metro area earns an annual salary of $112,393 (GS-13 step 5).

NHTSA estimates the state application review process to require approximately one (1) week for a total of $6,484.20 cost to the Government (1/52 weeks x $112,393 = $2,161.40 x 3 Federal employees = $6,484.20).

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| **Cost Description** | **Cost Estimate** |
| Weekly wage for GS-13 employee | $2,161.40 |
| Number of Federal employees reviewing applications | x 3 employees |
| **Total** | **$6,484.20** |

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

This is a new collection and, therefore, a program change. This information collection is expected to increase burden to respondents by 3,200 hours and the cost associated with the burden hours to respondents is estimated to be $96,160 hours. NHTSA does not expect this information collection to result in any other costs.

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

This collection of information will not have results published. The information will be used to help NHTSA evaluate applications for a grant program that will promote better administer vehicle and equipment safety recalls.

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.

1. 49 U.S.C. § 30118. [↑](#footnote-ref-2)
2. 49 U.S.C. § 30119(d). [↑](#footnote-ref-3)
3. 49 U.S.C. § 30119(d) and 49 CFR part 577. [↑](#footnote-ref-4)
4. The burden for filling out these forms is accounted for by other approved information collections. [↑](#footnote-ref-5)
5. Occupational Employment and Wages, May 2018, 43-0009 Office and Administrative Support Occupations (Major Group), Bureau of Labor Statistics, U.S. Department of Labor, <https://www.bls.gov/oes/current/oes430000.htm>, last accessed August 14, 2019. [↑](#footnote-ref-6)
6. Employer Costs for Employee Compensation-March 2019, Bureau of Labor Statistics, U.S. Department of Labor, https://www.bls.gov/news.release/pdf/ecec.pdf, last accessed August 14, 2019. [↑](#footnote-ref-7)