

**Supporting Statement  
for  
Corporate Average Fuel Economy Reporting  
OMB Control Number: 2127-0019**

**Introduction:**

NHTSA's corporate average fuel economy (CAFE) information is a mandatory collection to ensure CAFE compliance. NHTSA estimates that approximately 23 motor vehicle manufacturers will respond to the information collection in each of the next three years. This collection includes bi-annual reporting requirements, additional as-needed reporting, and the information collection for a petition process. The reporting requirements in 49 CFR Part 537 obligate a manufacturer to submit reports to the Secretary of Transportation regarding whether the manufacturer will comply with an applicable CAFE standard for the model year for which the report is made; the actions a manufacturer has taken or intends to take to comply with the standard; and other information the Secretary requires by regulation. A manufacturer must submit a report containing the above information during the 30-day period before the beginning of each model year, and during the 30-day period beginning the 180th day of the model year. When a manufacturer decides that actions reported are not sufficient to ensure compliance with that standard, the manufacturer must report additional actions it intends to take to comply with the standard and include a statement about whether those actions are sufficient to ensure compliance. NHTSA is requesting approval for this information collection to be modified as follows: added burden for other types of CAFE reporting requirements established by Congress and NHTSA in 49 CFR Parts 525, 534, and 536 which applies to manufacturers seeking exemptions, making changes in corporate relationships, and managing CAFE credits; added burden for CAFE reporting requirements adopted in the October 15, 2012, final rule (see 77 FR 62623); added burden for CAFE reporting requirements adopted in the April 30, 2020, final rule (see 85 FR 24174); and changing the name of this collection to more accurately represent the breadth of all CAFE regulatory reporting from "49 CFR Part 537, Automotive Fuel Economy Reports" to "Corporate Average Fuel Economy Reporting." The modifications and adjustments in burden in calculations results in an increase of 830 hours and (from 3,189 to 4,019).

1. Explain the circumstances that make the collection of information necessary. Attach a copy of the appropriate statute or regulation mandating or authorizing collection of information.

Congress established under the EPCA<sup>1</sup>, and later amended by EISA<sup>2</sup>, several reporting provisions for automobile manufacturers complying with corporate average fuel economy (CAFE) standards prescribed in 49 U.S.C. § 32902. The National Highway Traffic Safety Administration (NHTSA), on behalf of the Secretary of Transportation, interpreted those provisions and established several regulations defining the exact content of the reported information. The previous collection addressed reporting requirements specified by Congress under 49 U.S.C § 32907(a) and established by NHTSA in 49 CFR Part 537 "Automotive Fuel Economy Reports." The reporting requirements in 49 CFR Part 537 obligate a manufacturer to

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<sup>1</sup> Energy Policy and Conservation Act of 1975.

<sup>2</sup> Energy Independence and Security Act of 2007.

submit reports to the Secretary of Transportation regarding whether the manufacturer will comply with an applicable CAFE standard for the model year for which the report is made; the actions a manufacturer has taken or intends to take to comply with the standard; and other information the Secretary requires by regulation. A manufacturer must submit a report containing the above information during the 30-day period before the beginning of each model year, and during the 30-day period beginning the 180<sup>th</sup> day of the model year. When a manufacturer decides that actions reported are not sufficient to ensure compliance with that standard, the manufacturer must report additional actions it intends to take to comply with the standard and include a statement about whether those actions are sufficient to ensure compliance.

NHTSA originally established this collection of information on December 9, 1977, for its CAFE reporting provisions in 49 CFR Part 537. Several renewals of this collection have occurred since the initial approval and, on August 31, 2018, NHTSA issued a notice of proposed rulemaking (NRPM) for new greenhouse gas (GHG) emissions and CAFE regulations asking the Office of Management and Budget (OMB) to renew and modify the collection while concurrently seeking public comments.<sup>3</sup> Commenters responding to the NPRM recommended several changes to NHTSA's CAFE reporting requirements addressed by this collection. In consideration of those comments, NHTSA is finalizing its collection of information including the following actions:

1. A reinstatement of the previous collection for CAFE reports required by 49 U.S.C § 32907(a) and 49 CFR Part 537.
2. Added burden for other types of CAFE reporting requirements established by Congress and NHTSA in 49 CFR Parts 525, 534, and 536 which applies to manufacturers seeking exemptions, making changes in corporate relationships, and managing CAFE credits.
3. Added burden for CAFE reporting requirements adopted in the October 15, 2012, final rule (see 77 FR 62623).
4. Added burden for CAFE reporting requirements adopted in the April 30, 2020, final rule (see 85 FR 24174).
5. Changing the name of this collection to more accurately represent the breadth of all CAFE regulatory reporting from "49 CFR Part 537, Automotive Fuel Economy Reports" to "Corporate Average Fuel Economy Reporting."

#### Renewal for CAFE Reports

NHTSA issued 49 CFR Part 537, "Automotive Fuel Economy Reports," which specifies three types of CAFE reports for complying with 49 U.S.C. § 32907(a). The first report, the pre-model year (PMY) report, is required to be submitted to NHTSA before December 31<sup>st</sup> of the calendar year prior to the corresponding model year and contains a manufacturer's projected information for that upcoming model year. The second report, the mid-model year (MMY) report, is required to be submitted by July 31<sup>st</sup> of the given model year, and contains updated information from manufacturers based upon actual and projected information known midway through the model year. Finally, a supplementary report is required to be submitted anytime a manufacturer needs to correct information previously submitted to NHTSA.

Manufacturer reports include information on light-duty automobiles and medium-duty passenger vehicles for each model year, and describe projected and actual fuel economy standards, fuel

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<sup>3</sup> See NRPM issued on August 24, 2018 (83 FR 42986).

economy performance values, production volumes, and information on vehicle design features (e.g., engine displacement and transmission class) and other vehicle attribute characteristics (e.g., track width, wheel base and other off-road features for light trucks). Manufacturers submit both non-confidential and confidential versions of CAFE reports to NHTSA. Confidential reports differ by including estimated production sales information that is withheld from public disclosure to protect each manufacturer's competitive sales strategies. NHTSA uses these reports for reference to help the agency anticipate potential compliance issues as early as possible, and help manufacturers plan compliance strategies. NHTSA also uses the reports for auditing and testing purposes, which helps manufacturers correct errors prior to the end of the model year, and facilitates acceptance of their final CAFE report by the Environmental Protection Agency (EPA).

In the MY 2018 NPRM, NHTSA proposed to renew the previous Part 537 CAFE reporting collection and no comments were received. Therefore, NHTSA is finalizing the burdens hours and cost associated with that collection.

#### *Added Burden for Other Types of CAFE Reporting Requirements*

NHTSA also sought in the NPRM to add the hours and costs associated with other CAFE reporting provisions in 49 CFR Parts 525, 534, and 536 to the current collection. To support these additions, NHTSA proposed to change the name of the collection to more accurately represent all CAFE reporting requirements. NHTSA proposed to change the collection's name from "49 CFR Part 537, Automotive Fuel Economy Reports" to "Corporate Average Fuel Economy Reporting."

In 49 CFR Part 525, small volume manufacturers submit petitions to NHTSA for exemption from an applicable average fuel economy standard and to request to comply with a less stringent alternative average fuel economy standard. In accordance with 49 CFR Part 534, manufacturers are required to submit information to NHTSA when making a corporate controlled relationship change (i.e., joining, splitting, or acting to address liabilities or assets such as CAFE credits) with another manufacturer. A controlled relationship is a business relationship between manufacturers that control, are controlled by, or are under common control with one or more other manufacturers. Accordingly, manufacturers who have entered into written contracts transferring rights and responsibilities to other manufacturers in controlled relationships for CAFE purposes are required to provide reports to NHTSA. 49 CFR Part 536 prescribes reporting requirements for manufacturers to submit credit transaction instructions including credit allocation plans, trades, transfers, and carryback plans to NHTSA. A credit transaction instruction is a manufacturer's written instruction (including credit values) to NHTSA to carry-forward, carryback or trade CAFE credits within the manufacturer's CAFE credit account(s). Credit instructions can be sent to NHTSA at any time throughout the model year but mainly, manufacturers issue them along with a credit allocation plan. A credit allocation plan is a plan that must be sent to NHTSA describing a manufacturers approach to resolving a credit deficit resulting from the manufacturer's fleet performance for a given compliance category falling below its required CAFE standard after the end of the model year. Credit allocation plans may also include traded credits or credit carryback plans as the approach for resolving an end-of-the year credit deficit. A credit trade includes trade documents from a credit seller obligating the exchange of earned credit from its credit account(s) to the credit account(s) of the buyer. A carryback plan is a plan, pursuant to 49 U.S.C. 32903(b), that validates a manufacturers

capability to produce vehicles in future model years (up to 3 model years in advance of any given model year with a credit deficit) that will earn CAFE credits by over-complying and the manufacturers designation of those credits to be carrybacks to address the current model year's credit deficit.

No comments in response to the NPRM were received on any of the new CAFE reporting provisions added to the collection. As a result, NHTSA is finalizing the additional hours and costs for those reporting provisions. The combined list of all CAFE reporting provisions for automobile manufacturers and the government finalized in this collection is summarized below.

**Table 1 – Required CAFE Reporting**

<b>Requirement</b>	<b>Application</b>	<b>Description of Required Reporting</b>
§ 525.6 and 7	Petitions for an alternative CAFE standard	Petitions for small volume manufacturers seeking relief by complying with less stringent alternative CAFE standards.
§ 534.5(e) and 6 and 536.8(c)	Reports on corporate transactions	1. Manufacturers file reports when changes in control relationship occur affecting the allocation of credits or liabilities 2. Manufacturers file certified reports when one manufacturer has assumed a controlling stock ownership or control over the design, production or sale of vehicles of another manufacturer.
§ 536.5(c) and 8	Credit Trade Contract	A verified instruction to trade credits from an existing credit holder.
§ 536.5(d)	Credit Allocation Plan	If a manufacturer's vehicles in a particular compliance category have below standard fuel economy, upon notification from NHTSA, the manufacturer will be required to submit a plan indicating how it will allocate existing credits or earn, transfer and/or acquire credits; or pay the appropriate civil penalty.
§ 536.5(e)	Manufacturers submit credit transactions to NHTSA	Manufacturers submit instructions to NHTSA to execute credit transactions using earned, expired, transferred, traded, carry-forward, and carryback credit transactions/allocations.
§ 536.7	Credit Carryback Plan	Manufacturers submit plans to carryback credits earned in a compliance category in any model year, pursuant to 49 U.S.C. 32903(b), for up to three model years prior to the year in which the credit was earned.
§ 536.8	Credit Cancellation Report	A credit holder may instruct NHTSA to cancel its currently held credits, specifying the originating manufacturer, vintage, and compliance category of the credits to be cancelled.
§ 537.5	PMY Reports MMY Reports Supplementary Reports	General reporting information for identifying the manufacturer and any confidential information.
§ 537.7(b)	PMY Reports MMY Reports	Projected required fuel economy.
§ 537.7(c)(1) and (2)	PMY Reports MMY Reports	Combined fuel economy and projected sales information.

§ 537.7(c)(3) and (4)	PMY Reports	Vehicle configuration design and attribute data (e.g., transmission and engine information).
§ 537.7(c)(5)	PMY Reports	Non-passenger vehicle (light truck) attribute data (e.g., 4WD and ground clearance measurements).
§ 537.7(c)(7)	PMY Reports	Any improved air-conditioning (A/C), off-cycle and full-size pickup truck technologies used each model year to calculate the average fuel economy specified in 40 CFR § 600.510-12(c).
§ 537.8	Supplementary Reports	Any corrections to information in any previously submitted reports.
§ 537.12	PMY Reports MMY Reports Supplementary Reports	Any confidential information.

*Added Burden for the October 2012 Final Rule*

Beginning with model year 2017, manufacturers can use A/C systems with improved efficiency, off-cycle technologies (e.g., vehicle stop-start systems), and any hybrid/electric full-size pickup truck technologies each model year to increase their calculated fleet average fuel economy values specified in 40 CFR § 600.510-12(c) (see the October 15, 2012, final rule at 77 FR 62623). Manufacturers identify the makes and model types equipped with a “fuel consumption improvement” technology, which compliance category those vehicles belong to, the number of vehicles for each model equipped with the technology, the associated fuel consumption improvement value, and the resulting adjustment to the manufacturer’s fleet economy average performance.

Manufacturers derive the fuel consumption improvement benefits of the incentivized technologies from a predefined list established by EPA and NHTSA or by testing vehicle model types using the EPA’s 5-cycle test procedure. As an alternative, manufacturers can also petition the EPA and NHTSA, in accordance with 40 CFR 86.1868-12 or 40 CFR 86.1869-12, to gain additional credits based upon the improved performance of any of the fuel consumption improvement technologies allowed for model year 2017 and later. EPA approves these petitions in collaboration with NHTSA and equivalent credits can be used for both the EPA and the NHTSA compliance programs. As a part of its consultation, NHTSA provides EPA with an evaluation of each new technology to ensure its direct impact on fuel economy and an assessment on the suitability of each technology for use in increasing a manufacturer’s fuel economy performance. Furthermore, at times, NHTSA may independently request additional information from a manufacturer to support its evaluations. Manufacturers provide this supplemental information to NHTSA to justify or explain the benefits of these technologies. This information, along with any research conclusions shared with EPA and NHTSA in the petitions, is required to be submitted in coordination with the manufacturer’s CAFE reports.

In response to the NPRM, manufacturers commented on the differences in how NHTSA and EPA request data on A/C efficiency and off-cycle technologies. Manufacturers cautioned that the difference in reporting requirements could be costly and that the changes could not be completed prior to MY 2021. NHTSA explained that differences in EPA and NHTSA regulations prevent establishing the same reporting format for CAFE purposes. In addition, NHTSA plans to use the detailed information for public disclosure and for auditing purposes.

Therefore, the burden hours and cost for the new incentives and flexibilities will be added to the current collection as proposed.

*Added Burden for the April 30, 2020, Final Rule*

With the intent of simplifying reporting for manufacturers, NHTSA issued the October 2018 NPRM proposing to adopt standardized templates for CAFE reports specified in 49 CFR Parts 536 and 49 CFR Part 537. The standardized templates reduce the amount of time manufactures spend (i.e., reduces the amount of information for many manufacturers and reduces errors in credit calculations) preparing reports, and the amount of time NHTSA spends auditing and analyzing the data, and executing credit transactions. The proposed reporting changes sought in the NPRM are summarized below:

- A standardized reporting template (NHTSA Form 1474) for CAFE PMY, MMY, and Supplementary reports required under 49 Parts 537.5 and 535.7. All CAFE reports are now proposed to include the same information via the template. The template also includes a standardized format for collecting information on air conditioning (A/C) systems with improved efficiency, off-cycle technologies, and advanced full-sized pickup truck features for calculating manufacturers' improved fuel economy performance values in 49 CFR Part 537.7(c)(7).
- A standardized reporting template (NHTSA Form 1475) for manufacturers to report credit transactions in accordance with 49 CFR Parts 536.5(d) and 536.5(e). This template includes the adjustment factor calculator for preserving fuel savings and clarifies the level of precision for calculating credits. The template can also be used for reporting credit trade documents in accordance with 49 CFR Part 536.5(c) and 536.8.
- Additional documents associated with credit trades that will provide more insight to NHTSA on the price of a credit. Manufacturers will now be required to submit any confidential documents that include monetary or non-monetary information regarding a credit transaction between two manufacturers.
- All the proposed standardized templates are available for manufacturers from the NHTSA public information center (PIC) site at [https://one.nhtsa.gov/cafe\\_pic/CAFE\\_PIC\\_Home.htm](https://one.nhtsa.gov/cafe_pic/CAFE_PIC_Home.htm).

In response to the NPRM, several vehicle manufacturers and their trade associations objected to the proposed reporting template. Some commenters opposed the template but agreed with the appropriateness of a standardized template that combines credit trading information with a data reporting template. While others focused on requesting to remove or explain data fields they believed were outdated or not relevant to fuel economy testing or projecting fuel economy performance. NHTSA responded in the final rule that it disagreed with many of the manufacturers' assertions but acknowledged the burden placed on the industry for providing more detailed data in the reporting template and therefore will not require manufacturers to start using the templates for reporting until MY 2023. However, NHTSA made several changes to the template to remove certain data fields that may no longer be as common on contemporary vehicles and added additional supporting data fields used in calculating other data fields required by Part 537. In total, NHTSA added 34 new data fields to the reporting template. The additional burden hours and costs for the new data fields are further explained in the subsequent sections of this collection. **NHTSA estimates that using the reporting template will reduce a total of 138**

burden hours for all manufacturers for each of the required CAFE reports (6 hours for each of the estimated 23 annual manufacturers to provide each CAFE report). These hours and costs will begin on January 1, 2023, which is the mandatory adoption date established in the final rule.

Only one comment was received on the proposed credit transaction template which supported adopting a uniform template for reporting credit transactions. Therefore, NHTSA is finalizing the burden hours and the associated costs for the proposed credit template without any further changes. NHTSA estimates that using the credit template will reduce a total of 207 burden hours for all manufacturers for each of the required CAFE reports (9 hours for each of the estimated 23 annual manufacturers for providing CAFE transactions). These hours and costs will begin on January 1, 2021, which is the mandatory adoption date established in the final rule.

In the interest of facilitating a transparent and efficient credit trading market, NHTSA also sought comments in the NPRM to explore the feasibility of requiring more information disclosure around credit trades, such as the price of traded credits, noting that neither the public, shareholders, competitors, nor even the government knows the price of CAFE credit transactions. Several commenters offered responses opposing any further public disclosure of credit information believing it to be confidential business materials and potentially harmful to the manufacturers remaining competition in the trading market. However, several commenters supported the approaches for the government to collect additional information on credit trades and to provide additional aggregated credit public reports. Therefore, in the final rule, NHTSA decided not to share more detailed information on credits with the public but adopted new reporting requirements starting January 1, 2021, for manufacturers to disclose all credit trade information with the agency; believing that greater government oversight is needed over the CAFE credit market. The added burden and cost for these provisions for manufacturers and the government are presented in the following sections.

To set CAFE standards as required by 49 U.S.C. 32902, NHTSA creates an analysis fleet from which to model potential future economy improvements. To compose this fleet, the agency uses a mixture of compliance data and information from other sources to best replicate the fleet from a recent model year. While refining the analysis fleet, NHTSA occasionally asks manufacturers for information that is similar to information submitted as part of EPA's final model year report (e.g., final model year vehicle volumes). Periodically, NHTSA may ask manufacturers for more detailed information than what is required for compliance (e.g., what engines are shared across vehicle models). The more accurate the analysis fleet is, the more accurate the agencies' modeling of what technologies could be applied will be. Therefore, NHTSA proposed to account for the burden on manufacturers to provide the agency with this additional information. In almost all instances, manufacturers already have the information NHTSA proposed to require, but it might be necessary to be reformatted or recompiled. Because of this, NHTSA believes the burden to provide this information would often be minimal. In response to the NPRM, no comments were received on this issue. Consequently, NHTSA has finalized the burden hours for manufacturers to create the analysis fleet for modeling as proposed for the NPRM.

2. Indicate how, by whom, and for what purpose the information is used. Indicate actual use of Information received from the current collection.

- NHTSA collects, reviews, maintains, and stores CAFE reports for accuracy and completeness and then conducts analysis on CAFE report data to analyze trends, respond to public inquires and selects vehicles for footprint testing per TP-537-02.
- NHTSA responds to CAFE report confidentiality requests from automobile manufacturers.
- NHTSA produces public reports on its Public Information Center (PIC) [https://one.nhtsa.gov/cafe\\_pic/CAFE\\_PIC\\_Credit\\_LIVE.html](https://one.nhtsa.gov/cafe_pic/CAFE_PIC_Credit_LIVE.html) using CAFE reports received from automobile manufacturers.
- NHTSA reviews, approves, and audits information for improved A/C, off-cycle, and hybrid/electric full-size pickups.
- NHTSA conducts analysis for determining future CAFE standards using CAFE reports received from automobile manufacturers.
- NHTSA reviews petition for alternative standards and issues a Federal register notice either approving or denying a small volume manufacturers' proposed less stringent alternative CAFE standard.
- NHTSA reviews and provides a final determination on the status of corporate relationships and responds to corporate changes.
- NHTSA reviews trade documents for completeness and transfers traded credits from one manufacturer's credit account to another.
- NHTSA issues credit shortfall letters and, after receiving a credit allocation plan, executes the manufacturers' credit transaction requests in its credit account to resolve its credit shortfall.
- NHTSA reviews credit transaction instructions and executes the manufacturers' credit transaction requests in its credit accounts.
- NHTSA sends credit account balance letters to manufacturers.
- NHTSA approves or denies carryback plans and issues a Federal register notice to inform the manufacturer and the public of its decision to approve/deny and provides the public the opportunity to comment.

3. Describe whether the collection of information involves the use of technological collection techniques or other forms of information technology.

49 CFR § 537.5(c)(4) specifies that confidential versions of CAFE reports are required to be submitted electronically on CD-ROM to the NHTSA Administrator and non-confidential reports sent by email to the NHTSA CAFE secure email account (cafe@dot.gov). The content of reports must be provided in a PDF or Microsoft Word format except for the information required in 49 CFR 537.7, which must be provided in a Microsoft Excel format.

The April 30, 2020, final rule, establishes several new electronic reporting templates that manufacturers will use to modify their existing CAFE database systems or create new ones for preparing reports sent to NHTSA. NHTSA also plans to modify its existing CAFE database system to collect the information submitted by manufacturers and to improve the functionality of its analysis routines and other database functions that facilitate CAFE rulemaking and enforcement activities.

4. Describe efforts to identify duplication. Show specifically why similar information



cannot be used.

To the extent practicable, NHTSA and EPA share data for the CAFE and GHG programs to avoid duplication. Some data required in CAFE reports are also collected by the EPA, but the timeframe for the information required by NHTSA differ from the EPA due to statutory or regulatory requirements. For example, NHTSA CAFE reports are required to include fuel economy data based on information available prior to the model year, whereas EPA requires the same data, but at the end of a model year.

5. If the collection of information involves small business or other small entities, describe the methods used to minimize burden.

Any manufacturer that independently manufactures (whether in the customs territory of the United States) 10,000 or less passenger automobiles is eligible for an exemption for that affected model year from the average fuel economy standards in 49 CFR Parts 531 and 533 as well as excluded from providing CAFE PMY, MMY, and Supplementary reports covered by 49 CFR Part 537. NHTSA identifies these manufacturers as small business manufacturers. If the exemption is granted, these manufacturers comply with standards in accordance with 49 CFR Part 525, "Exemptions from Average Fuel Economy Standards," and are excluded from reporting covered by this collection. NHTSA grants exemptions based upon a manufacturer's legitimate inability to incorporate fuel saving technology capable of complying with conventional CAFE standards. To date, no requests from small business manufacturers producing less than 10,000 passenger automobiles have been denied.

6. Describe the consequences to the Federal program or policy activities if the information collection were conducted less frequently.

If the reports were required less frequently, NHTSA would not have current information to evaluate whether automotive manufacturers comply with the applicable fuel economy standards as required by statute. NHTSA would not have the necessary information to prepare its annual CAFE reports on the NHTSA website (available at [https://one.nhtsa.gov/cafe\\_pic/CAFE\\_PIC\\_Home.htm](https://one.nhtsa.gov/cafe_pic/CAFE_PIC_Home.htm)). NHTSA could not effectively respond to inquiries received from Congress, other Federal agencies, and the public. NHTSA would not have sufficient information to evaluate possible future average fuel economy standards for passenger automobiles and light trucks, or to initiate other rulemaking activities. Manufacturers would also not be able to send instructions to adjust their credit account(s) within the allocated timing to final compliance for each model year. Finally, manufacturers submitting petitions for less stringent CAFE standards would have to comply with conventional CAFE standards imposing hardships upon these manufacturers.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
- a. requiring respondents to report information to the agency more often than quarterly;
  - b. requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

- c. requiring respondents to submit more than an original and two copies of any document;
- d. requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;
- e. in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- f. requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- g. that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- h. requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

There are no such special circumstances.

8. Provide a copy of the FEDERAL REGISTER document soliciting comments on extending the collection of information, a summary of all public comments responding to the notice, a description of a description of the agency's action in response to the comments. Describe efforts to consult with persons outside the agency to obtain their views.

The following documents are included:

1. The August 2, 2018, NPRM (see DOT Docket NHTSA-2018-0067) soliciting comments on extending the collection of information.
  2. The April 30, 2020, final rule (see 85 FR 24174) which addresses: (a) the summary of all public comments responding to the proposed CAFE reporting provisions addressed by this collection; (b) a description of the agency's action in response to those comments; and (c) NHTSA's efforts to consult with persons outside the agency to obtain their views.
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 provided to any respondent.

10. Provide any assurance of confidentiality provided to respondents.

NHTSA's regulations in 49 CFR § 537.12 establishes the procedures by which the agency will consider claims that information submitted to the agency should be treated as confidential information. The regulation provides that if a respondent claims its reports contain confidential information, the agency will consider that claim under this section.

11. Provide additional justification for any question matters that are commonly considered

private.

There are no questions of a sensitive nature.

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

The total number of burden hours associated with this collection is 4,018.7 hours (244.2 additional hours than proposed in the NPRM). The total hours pertain to automobile manufacturers providing all of the required CAFE information to NHTSA. A breakdown of the calculation for the total hours is shown in Table 3 and explained in further detail in the following paragraphs:

**Table 2 – Manufacturer Annual Burden Hours**

Requirement	Activity	Manufacturer Labor Hours					Fleet Labor Hours		
		Engineer Labor Hours	Manager Labor Hours	Legal Labor Hours	Clerical Labor Hours	Total Manufacturer Hours	Total Fleet Reports	Total Fleet Hours	Cumulative Total Fleet Hours
537.5, 6 and 7	Pre-model Year Reports	40.6	6.5	1.1	2.2	50.4	23	1158.4	1158.4
537.5 and 6	Mid-model Year Reports	40.6	6.5	1.1	2.2	50.4	23	1158.2	2316.7
537.8	Supplimentary Reports	21.8	6.5	0.5	2.2	31.0	3	93.1	2409.7
537.7( c)(7)	Reporting for improved AC, Off-cycle and Hyrid/Electric Full Size Pickup fuel consumption technologies	2	1	0	0	3	23	69.0	2478.7
537.7( c)(7)	Additional information requested for AC, Off-cycle and hyrid/electric full size pickups petitions	4	0	0	0	4	23	92.0	2570.7
49 USC 32902	Information for setting future CAFE standards	8	4	0	1	13	23	299.0	2869.7
525.6 and 7	Petitions for alternative CAFE standards	40	8	40	1	89	3	267.0	3136.7
534.5( e), 534.6 and 536.8( c)	Reports on corporate transactions	1	1	16	1	19	1	19.0	3155.7
536.5(c) and 8	Credit Trade Contract	2	2	16	2	22	12	264.0	3419.7
536.5(d)	Credit Allocation Plan	16	4	8	1	29	11	319.0	3738.7
536.5( e)	Credit transaction requests	8	1	1	1	11	23	253.0	3991.7
536.7	Credit Carry-back Plan	16	2	8	1	27	1	27.0	4018.7
	Totals	199.99	42.5	91.722513	14.534031	348.7465445	192	4018.7	4018.7

An average of 23 automobile manufacturers submitted CAFE PMY and MMY reports over

model years 2010 to 2017 for 49 CFR Part 537. Manufacturers use engineers, managers, legal, and clerical staff to prepare and submit CAFE reports to NHTSA. All manufacturers use electronic database systems to produce CAFE reports, and manufacturers can use those databases to export the compliance data required by Part 537. The burden hours associated with producing CAFE reports primarily involves engineers and managers reviewing the output of these database systems. Non-confidential versions of reports are emailed directly to NHTSA. Confidential versions are sent through each manufacturer's legal department to add confidentiality requests before clerical staff compile all documents on CD-ROMs to send to the NHTSA Administrator. The NHTSA Administrator forwards the documents to NHTSA's Chief Counsel's Office for legal review and processing. As for supplementary reports, NHTSA receives on average three reports from manufacturers each year requesting to make corrections to previously submitted reports.

NHTSA estimated in the NPRM that manufacturers spend a total of 2,339.5 hours each year producing the required PMY and MMY CAFE reports. The total number of manufacturers who submitted reports decreased from the previous collection. Several smaller manufacturers who were in existence during the previous collection are no longer producing vehicles. Several manufacturers such as Porsche, Audi, Jaguar, and Land Rover who were separate entities for compliance purpose at the time, are now in controlled relationships with other manufacturers, who are now responsible for their reporting in accordance with Part 537.

Starting with the 2017 compliance model year, manufacturers will start incurring additional burden hours for incorporating information regarding off-cycle technologies, air conditioning technologies, and advanced technology that is applied to full-sized pickup trucks into PMY reports. Despite only eight manufacturers submitting information related to these incentives for model year 2017, NHTSA estimates that, in the next three years, all manufacturers will elect to report information on these incentives as part of their compliance strategies as stringency targets increase. It is estimated that an additional 161 annual hours will be needed for manufacturers to provide the information and to respond to any requests from NHTSA for additional information or data to justify the benefit of these technologies. NHTSA estimates that manufacturers spend a total of 2,500.5 hours each year in producing the required CAFE reports PMY and MMY with information on fuel consumption technologies.

NHTSA proposed to simplify CAFE reporting submissions by introducing a standardized reporting template. The templates will reduce the amount reported information currently submitted by manufacturers. However, manufacturers will incur an initial burden of approximately \$1 million to build IT resources to restructure their databases to conform to the format of the template. NHTSA anticipates that the added timing necessary for manufacturers to restructure their database systems will be offset by the reduction in burden hours saved by using the templates. After that time, manufacturers will continue saving 138 hours annually by using the template resulting in manufacturers spending a total of 2362.5 hours each year in producing the required CAFE reports PMY and MMY with information on fuel consumption technologies.

Manufacturers may also be required to occasionally submit existing production information (e.g., what engines are shared across vehicle models) to NHTSA for its analysis in modeling potential future economy improvements and standards. The production information is similar to the

information submitted as part of EPA's final model year report (e.g., final model year vehicle volumes). NHTSA anticipates that each manufacturer may periodically spend 13 hours for each submission of information for NHTSA's analysis which will result in a total burden of 299 annual for the automotive industry.

On average, three small volume manufacturers submit petitions for alternative standards to NHTSA seeking relief from complying with conventional CAFE standards. These small volume manufacturers primarily include exotic sports car manufacturers (i.e., Aston Martin and McLaren) and have submitted a total of 44 petitions covering 14 model years of production vehicles (MYs 2008-2021). The associated burden hours involve attorneys, engineers, and managers collecting fuel economy performance and production information on their production vehicles and preparing petitions for submission to NHTSA. These professionals will spend approximately 89 hours to prepare each petition. As a result, the estimated total industry burden will be 267 annual hours for preparing and submitting CAFE petitions for alternative standards to NHTSA.

Very few manufacturers incur burden each year in submitting documents to NHTSA for corporate relationship changes. On average, only one manufacturer each model year submits documents to NHTSA for corporate relationship changes. The burden hours associated with this activity primarily involves attorneys preparing documents. Minimal amounts of burden hours are necessary for engineers and managers to review documents and clerical staff to submit them to NHTSA. The estimated total industry burden will be 19 annual hours for preparing and submitting information on corporate relationship changes to NHTSA.

Nearly half of all vehicle manufacturers will incur burden hours in managing their CAFE credit accounts each year. Credit management is a significant active for vehicle manufacturers who are addressing a current credit shortfall or are preparing to avoid one in the future. Manufacturers manage their credit accounts using engineers, managers, and attorneys to prepare documents and then clerical staff to submit credit allocation plans, credit transaction instructions and trade documents to NHTSA. Manufacturers submit credit transaction instructions to NHTSA at various times throughout the model year when transferring credit trades from one manufacturer to another or when submitting a credit allocation plan to NHTSA because of a credit shortfall. On average, based upon compliance data for MYs 2011 to 2016, NHTSA receives 23 credit transaction instructions from vehicle manufacturers each model year. Of these instructions, 11 are a result of a credit shortfall and are included along with a credit allocation plan. Three of these cases also include a credit trade with accompanying credit trades documents. The remaining 12 credit transaction instructions are a result of credit trades processed throughout the model year and are included along with the manufacturers credit trade documents sent to NHTSA. NHTSA estimates each year that for all manufacturers credit instruction instructions will require an estimated 460 hours, credit allocation plan 319 hours, and credit trade document 228 hours. NHTSA rarely receives carryback plans. Over the last ten years, NHTSA has only received plans from two manufacturers. NHTSA estimates (to be conservative) that on average 23 hours will incurred by any manufacturer preparing a credit carryback plans each year. Upon release of the NPRM, NHTSA proposes for manufacturers to start using the new credit template starting in model year 2021. NHTSA anticipates that the new templates will drastically reduce the errors in credit calculations manufacturers continue to make. NHTSA anticipates a reduction

of 207 hours for the industry to use the proposed template. Therefore, the net combined hours for the industry to manage their credit accounts will be 827 hours annually.

For the final rule, NHTSA increased the total burden hours of the collection by increasing the number of data field in its CAFE reporting template and by requiring additional information from manufacturers submit for CAFE credit trades. These actions increase the burden hours of the collection to a total of 4,018.7 hours (244.2 additional hours).

More specifically, NHTSA added 34 additional data fields to its CAFE reporting template increasing the data fields from 382 to 416 (an 8.9 percent increase in data fields). NHTSA then adjusted the proposed hours for each labor category required to prepare the data for the CAFE reporting template by the percentage increase in data fields. Totaling the adjusted hours produced a total of 2547.7 hours to prepare CAFE reports using the template for the final rule (an increase of 208.2 hours). Next, NHTSA added an additional 0.5 hours per each credit trade to report the newly required information to NHTSA for credit trades. Adding the additional 0.5 hours to each labor category required to prepare and send credit trade information to NHTSA, a total of 264 hours was calculated for the final rule (an increase of 36 hours).

The estimated total annual cost associated with CAFE reporting is \$198,885.02. The cost is based upon the hours and current average labor rates for engineers, managers, attorneys, and clerical staff to prepare and send CAFE information to NHTSA. Table 3 provides the breakdown of the associated costs based the upon average labor estimates from the Bureau of Labor Statistics in the May 2016 National Industry-Specific Occupational Employment and Wage Estimates ([https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm), last modified March 31, 2017).

**Table 3 – Manufacturer Annual Costs\*\***

Requirement	Activity	Hourly Labor Costs				Total Costs per Activity*					Total Annual Costs (All MFRs)**	
		Engineer	Manager	Legal	Clerical	Engineer	Manager	Legal	Clerical	Total Cost	Total Annual Cost	Cumulative Total Annual Cost
537.5, 6 and 7	Pre-model Year Reports	\$47.71	\$53.92	\$67.25	\$17.91	\$1,937.03	\$350.48	\$73.24	\$39.01	\$2,399.75	\$55,194.24	\$55,194.24
537.5 and 6	Mid-model Year Reports	\$47.71	\$53.92	\$67.25	\$17.91	\$1,936.55	\$350.48	\$73.24	\$39.01	\$2,399.27	\$55,183.27	\$110,377.52
537.8	Supplimentary Reports	\$47.71	\$53.92	\$67.25	\$17.91	\$1,040.08	\$350.48	\$36.62	\$39.01	\$1,466.18	\$4,398.55	\$114,776.07
537.7(c)(7)	Reporting for improved AC, Off-cycle and Hybrid/Electric Full Size Pickups	\$47.71	\$53.92	\$67.25	\$17.91	\$95.42	\$53.92	\$0.00	\$0.00	\$149.34	\$3,434.82	\$118,210.89
537.7(c)(7)	Additional information requested for AC, Off-cycle and hybrid/electric full size pickups petitions	\$47.71	\$53.92	\$67.25	\$17.91	\$190.84	\$0.00	\$0.00	\$0.00	\$190.84	\$4,389.32	\$122,600.21
49 USC 32902	Information for setting future CAFE standards	\$47.71	\$53.92	\$67.25	\$17.91	\$381.68	\$215.68	\$0.00	\$17.91	\$615.27	\$14,151.21	\$136,751.42
§ 525.6 and 7	Petitions for alternative CAFE standards	\$47.71	\$53.92	\$67.25	\$17.91	\$1,908.40	\$431.36	\$2,690.00	\$17.91	\$5,047.67	\$15,143.01	\$151,894.43
§ 534.5(e), 534.6 and 536.8(c)	Reports on corporate transactions	\$47.71	\$53.92	\$67.25	\$17.91	\$47.71	\$53.92	\$1,076.00	\$17.91	\$1,195.54	\$1,195.54	\$153,089.97
§ 536.5(c) and 8	Credit Trade Contract	\$47.71	\$53.92	\$67.25	\$17.91	\$95.42	\$107.84	\$1,076.00	\$35.82	\$1,315.08	\$15,780.96	\$168,870.93
§ 536.5(d)	Credit Allocation Plan	\$47.71	\$53.92	\$67.25	\$17.91	\$763.36	\$215.68	\$538.00	\$17.91	\$1,534.95	\$16,884.45	\$185,755.38
§ 536.5(e)	Additional credit transaction requests	\$47.71	\$53.92	\$67.25	\$17.91	\$381.68	\$53.92	\$67.25	\$17.91	\$520.76	\$11,977.48	\$197,732.86
§ 536.7	Credit Carry-back Plan	\$47.71	\$53.92	\$67.25	\$17.91	\$763.36	\$107.84	\$538.00	\$17.91	\$1,427.11	\$1,427.11	\$198,885.02
	Totals	\$620.23	\$700.96	\$874.25	\$232.83	\$9,541.52	\$2,291.60	\$6,168.34	\$260.30	\$18,261.77	\$199,159.97	\$198,885.02

\* Based upon the labor hours in Table 2

\*\* Based upon the number of manufacturers involved in each activity as described in Table 2

**13. Provide estimates of the total annual cost to the respondents or record keepers.**

There are no costs to respondents or record keepers other than labor costs associated with the burden hours.

**14. Provide estimates of annualized cost to the Federal Government.**

The annual cost to the government to administer CAFE reporting is \$141,246.78. The cost breakdown is shown in Table 4. Table 4 includes the labor costs and hours for NHTSA and explains each activity. The Government labor costs in Table 5 are based upon calendar year 2017 pay scales from the Office of Personal Management adjusted to the applicable rates for Washington, D.C. (see [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/DCB\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/DCB_h.pdf) ).

**Table 4 – Government Annual Burden Hours and Costs**

Activity	Annual Government Labor Hours per Activity						Annual Government Total Costs per Activity*					
	Engineer Labor Hours	Manager Labor Hours	Legal Labor Hours	Clerical Labor Hours	Total Government Hours	Cumulative Total Government Hours	Engineer (GS13/01 @ \$45.42/hr)	Manager (GS15/01 @ \$63.14/hr)	Legal (GS14/01 @ \$53.68/hr)	Clerical (GS05/01 @ \$17.38/hr)	Total Cost	Cumulative Total Annual Cost
NHTSA reviews CAFE reports for accuracy and completeness	101	0	0	80	181	181	\$4,587.42	\$0.00	\$0.00	\$1,390.40	\$5,977.82	\$5,977.82
NHTSA conducts analysis on CAFE report data to analyze trends, respond to public inquiries and selects vehicles for footprint testing per TP-537-02	101	0	0	0	101	282	\$4,587.42	\$0.00	\$0.00	\$0.00	\$4,587.42	\$10,565.24
NHTSA store and maintains data for NHTSA users	0	0	0	101	101	383	\$0.00	\$0.00	\$0.00	\$1,755.38	\$1,755.38	\$12,320.62
NHTSA responds to CAFE report confidentiality request	49	0	49		98	481	\$2,225.58	\$0.00	\$2,630.32	\$0.00	\$4,855.90	\$17,176.52
NHTSA produces public reports on its Public Information Center (PIC) <a href="https://one.nhtsa.gov/cape_pic/CAFE_PIC_Credit_LIVE.html">https://one.nhtsa.gov/cape_pic/CAFE_PIC_Credit_LIVE.html</a>	202	98	0	194	494	975	\$9,174.84	\$6,187.72	\$0.00	\$3,371.72	\$18,734.28	\$35,910.80
NHTSA reviews and audits information for improved AC, off-cycle and hybrid/electric full size pickups	120	40	0	0	160	1135	\$5,450.40	\$2,525.60	\$0.00	\$0.00	\$7,976.00	\$43,886.80
NHTSA conducts analysis for determining future CAFE standards	320	160	160	0	640	1775	\$14,534.40	\$10,102.40	\$8,588.80	\$0.00	\$33,225.60	\$77,112.40
NHTSA reviews petition for alternative standards and issues a Federal register notice either approving or denying the small volume manufacturers proposed less stringent alternative CAFE standard.	200	80	200	5	485	2260	\$9,084.00	\$5,051.20	\$10,736.00	\$86.90	\$24,958.10	\$102,070.50
NHTSA reviews and provide a final determination on the status of corporate relationships and responds to corporate changes	16	8	40	0	64	2324	\$726.72	\$505.12	\$2,147.20	\$0.00	\$3,379.04	\$105,449.54
NHTSA reviews trade documents for completeness and transfers traded credits from one manufacturer's credit account to another.	120	0	0	0	120	2444	\$5,450.40	\$0.00	\$0.00	\$0.00	\$5,450.40	\$110,899.94
NHTSA issues credit shortfall letters and after receiving a credit allocation plans executes the manufacturers credit transaction requests in its credit account to resolve its credit shortfall.	176	88	0	0	264	2708	\$7,993.92	\$5,556.32	\$0.00	\$0.00	\$13,550.24	\$124,450.18
NHTSA reviews credit transaction instructions and executes the manufacturers credit transaction requests in its credit accounts.	30	0	0	0	30	2738	\$1,362.60	\$0.00	\$0.00	\$0.00	\$1,362.60	\$125,812.78
NHTSA sends credit account balance letters to manufacturers	80	40	8	8	136	2874	\$3,633.60	\$2,525.60	\$429.44	\$139.04	\$6,727.68	\$132,540.46
NHTSA makes a determination on the carry-back plan and issues a Federal register notice to inform the manufacturer and the public of its decision to approve/deny and provides the public the opportunity to comment	40	40	80	4	164	3038	\$1,816.80	\$2,525.60	\$4,294.40	\$69.52	\$8,706.32	\$141,246.78
<b>Totals</b>	<b>1,555</b>	<b>554</b>	<b>537</b>	<b>392</b>	<b>3,038</b>		<b>\$70,628.10</b>	<b>\$34,979.56</b>	<b>\$28,826.16</b>	<b>\$6,812.96</b>	<b>\$141,246.78</b>	



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

The current collection is a reinstatement of a previously approved collection. In comparison to prior collection, the total hours and cost for this collection after the 2019 compliance model year will be 4,018.73 hours for manufacturers and 3,038 hours for the government at a cost of \$141,246.78. This represents an increase from the previous collection by 829.73 hours for manufacturers and at a cost of \$174,311.52 more. While for the government, this collection has an increase of 2,063.00 hours and at a cost of \$109,717.78 more. These costs are also adjusted based upon currently labor rates and corrected for the types of professions involved in each activity.

Table 5 provides the breakdown in hours and costs for the previous and current collections. The reasons for these increases (and decreases in some instances) are detailed as follows:

- Adjustments in the number of required employees were made without increases to the previously reported labor hours for manufacturers or the governments. Changes were made to better explain the processes and employees involved with CAFE reports.
- .
- NHTSA is adding the burden hours and costs for manufacturers and the government for 49 CFR Part 525, 534, and 536 required by Congress and incorporated previously in NHTSA regulations but omitted in prior collections.
- NHTSA is adding the burden and costs from the October 2012 CAFE final rule.
- NHTSA is adding the burden and costs associated with the August 2, 2018, Notice of Proposed Rulemaking (see SAFE Vehicles NPRM at <https://www.nhtsa.gov/corporate-average-fuel-economy/safe>) and the information it collects to create an analysis fleet to model potential future economy improvements in setting CAFE standards.

**Table 5 – Annual Burden Hours and Cost Differences**

Applies to:	Manufacturer		Government	
	Hours	Cost	Hours	Cost
Prior Collection	3,189.00	\$24,573.50	975.00	\$31,529.00
Current Collection	4,018.73	\$198,885.02	3,038.00	\$141,246.78
Difference	829.73	\$174,311.52	2,063.00	\$109,717.78

16. For collection of information whose results are planned to be published for statistical use.

This collection of information will not have results published for statistical use.

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 8301.

No exceptions to the certification statement are made.

19. Collections of information employing statistical methods.

This collection of information does not employ statistical methods.