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DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

U.S. DOT Docket Number NHTSA-2016-0085

Reports, Forms, and Record Keeping Requirements

AGENCY: National Highway Traffic Safety Administration (NHTSA), U.S. Department of Transportation.

ACTION: Notice.

SUMMARY: Before a Federal agency can collect certain information from the public, it must receive approval from the Office of Management and Budget (OMB). Under procedures established by the Paperwork Reduction Act of 1995, before seeking OMB approval, Federal agencies must solicit public comment on proposed collections of information, including extensions and reinstatement of previously approved collections. This document describes a collection of information for which NHTSA intends to seek OMB approval.

DATES: Comments must be submitted to OMB on or before [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Send comments to the Office of Information and Regulatory Affairs, OMB, 725 17th Street, N.W., Washington, DC, 20503, Attention: Desk Officer.

FOR FURTHER INFORMATION CONTACT: Leo Yon, Trends Analysis Division (NEF-170), Room W45-215, NHTSA, 1200 New Jersey Ave., Washington, DC 20590. Telephone: (202) 366-7028.

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995, before an agency submits a proposed collection of information to OMB for approval, it must first publish a document in the Federal Register providing a 60-day comment period and otherwise

consult with members of the public and affected agencies concerning each proposed collection of information. The OMB has promulgated regulations describing what must be included in such a document. Under OMB's regulation, see 5 CFR 1320.8(d), an agency must ask for public comment on the following:

- i) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- ii) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- iii) how to enhance the quality, utility, and clarity of the information to be collected; and
- iv) how to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses.

In compliance with these requirements, NHTSA asks for public comments on the following collection of information:

Title: Reporting of Information and Documents about Potential Defects

Type of Request: Revision of a currently approved information collection

OMB Control Number: 2127-0616

Affected Public: Businesses or individuals

Abstract: This notice requests comment on NHTSA's proposed extension to approved collection of information OMB No. 2127-0616. The Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act (Public Law 106-414) was enacted on November 1, 2000. These TREAD requirements of the Act are found in 49 U.S.C. § 30166 and

many of these requirements are implemented through, and addressed with more specificity in, 49 CFR Part 579 *Reporting of Information and Communications about Potential Defects*.

These Early Warning Reporting (EWR) requirements specify that manufacturers of motor vehicles and motor vehicle equipment 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 assist NHTSA in identifying potential safety-related defects. The intent of this information collection is to provide early warning of such potential safety-related defects.

Estimated Burden Hours: This approved information collection was last renewed in August 2013, when additional component type codes were added to manufacturer EWR submissions. *See* 78 FR 51412. Due to one-time investments and other associated costs, the collection was approved for 85,193 burden hours and \$10.3 million dollars in the first year. We estimated subsequent years would require 45,897 burden hours and \$5.75 million dollars. Today we update these estimates by removing the first-year costs associated with the 2013 rulemaking, as well as revising estimates to better align with current EWR volume.

First, the below estimates are adjusted to better reflect current EWR submission volume. Table 1 provides an average annual submission count for each claim category submitted per the requirements of 49 CFR 579:

Table 1

Annual Average of Submissions by Manufacturers (2013 – 2015)

Category of Claims	Light Vehicles	Heavy, Med Vehicles	Trailers	Motorcycles	Emergency Vehicles	Buses	Tires	Child Restraints	Equipment Mfr.	Totals
Injury Fatality	9,082	97	13	135	3	12	74	378	8	9,804
Property Damage*	8,554	572	21	16	2	55	2,261	N/A	N/A	11,481
Warranty Claims	Aggregate Data									
Consumer Complaints	Aggregate Data									
Mfr. Field Reports	66,064	7,221	13	1,276	3	461	N/A	4,259	N/A	79,297
Dealer Field Reports	Aggregate Data									
Foreign Death Claims	59	1	1	2	0	0	2	35	0	101
Totals:	83,759	7,891	48	1,429	8	528	2,337	4,672	8	100,683

* Property damage claims are aggregate data but are counted differently because they require more time to manually review.

The above updated submission totals represent 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).

The agency estimates that an average of 5 minutes is required for a manufacturer to process each report, with the exception of foreign death claims. We estimate foreign death claims require an average of 15 minutes to process. Multiplying this average number of minutes by the number of submissions NHTSA receives in each reporting category yields the burden hour estimates found below in Table 2:

Table 2
Estimated Annual Burden Hours

Category of Claims	Light Vehicles	Heavy, Med Vehicles	Trailers	Motorcycles	Emergency Vehicles	Buses	Tires	Child Restraints	Equipment Mfr.	Totals
Injury Fatality	757	8	1	11	0	1	6	32	1	817
Property Damage*	713	48	2	1	0	5	188	N/A	N/A	957
Warranty Claims	Aggregate Data									
Consumer Complaints	Aggregate Data									
Mfr. Field Reports	5,505	602	1	106	0	38	N/A	355	N/A	6,608
Dealer Field Reports	Aggregate Data									
Foreign Death Claims	15	0	0	1	0	0	1	9	0	25
Totals:	6,990	658	4	119	1	44	195	395	1	8,407

* Property damage claims are aggregate data but are counted differently because they require more time to manually review.

Our previous estimates totaled 7,178 burden hours associated with these Early Warning submissions. We now update that total to 8,407 burden hours, a 17% increase, associated with the above noted claim categories.

The burden hours associated with aggregate data submissions for consumer complaints, warranty claims, and dealer field reports are included in reporting and computer maintenance hours. The burden hours for computer maintenance are calculated by multiplying the hours of computer use (for a given category) by the number of manufacturers reporting in a category. Similarly, reporting burden hours are calculated by multiplying hours used to report for a given category by the number of manufacturers for the category. Using these methods and the average number of manufacturers who report annually, we estimate the burden hours for reporting cost

and computer maintenance below in Table 3:

Table 3

Estimated Annual Burden Hours for Reporting and Computer Maintenance

Vehicle/Equipment Category	Avg. Number of Manufacturers	Quarterly Hours to Report per Manufacturer	Annual Burden Hours for Reporting	Hours for Computer Maintenance per Manufacturer	Annual Burden Hours for Computer Maintenance
Light Vehicles	39	8	1,248	347	13,533
Medium-Heavy Vehicles	39	5	780	86.5	3,374
Trailers	80	1	320	86.5	6,920
Motorcycles	15	2	120	86.5	1,298
Emergency Vehicles	7	5	140	86.5	606
Buses	38	5	760	86.5	3,287
Tires	34	5	680	86.5	2,941
Child Restraints	34	1	136	86.5	2,941
Vehicle Equipment	6	1	24	-	
Totals			4,208		34,899

Thus, the total burden hours for EWR death and injury data, aggregate data and non-dealer field reports is 8,407 (Table 2) + 4,208 (Table 3) + 34,899 (Table 3) = 47,514 burden hours.

In order to provide the information required for foreign safety campaigns, manufacturers must (1) determine whether vehicles or equipment that are covered by a foreign safety recall or other safety campaign are identical or substantially similar to vehicles or equipment sold in the United States, (2) prepare and submit reports of these campaigns to the agency, and (3) where a determination or notice has been made in a language other than English, translate the determination or notice into English before transmitting it to the agency. NHTSA estimates that preparing and submitting each foreign defect report (foreign recall campaign) requires 1 hour of clerical staff and that translation of determinations into English requires 2 hours of technical staff (note: this assumes that all foreign campaign reports require translation, which is unlikely).

Between 2013 and 2015, NHTSA received a yearly average of 133 foreign recall reports which results in 133 hours for preparation and submission of the reports (133 defect reports x 1 hour clerical = 133 hours) and 266 hours for technical time (133 foreign recall reports x 2 hours technical = 266 hours).

With respect to the burden of determining identical or substantially similar vehicles or equipment to those sold in the United States, manufacturers of motor vehicles are required to submit not later than November 1 of each year, a document that identifies foreign products and their domestic counterparts. NHTSA continues to estimate that the annual list could be developed with 8 attorney hours and 1 hour for IT work. NHTSA receives these lists from 83 manufacturers, on average, resulting in 747 burden hours (83 vehicle manufacturers x 8 hours for attorney support = 664 hours) + (83 vehicle manufacturers x 1 hour for IT support = 83 hours).

**Table 4
Hourly Burden for Foreign Reporting**

Task	Qty	Occupation	Burden hours	
			Per unit	Total
Annual List	83	Attorney	8	664
Annual list - Electronic	83	IT	1	83
Foreign Defect Report	133	Clerical	1	133
Foreign Defect report	133	Technical	2	266
Total				1,146

Therefore, the total annual hour burden on manufacturers for reporting foreign safety campaigns and substantially similar vehicles/equipment is 1,146 hours (774 hours professional time + 133 hours clerical time + 266 hours technical time). This is an increase of 154 burden hours from our previous estimate (1,146 hours for current estimate – 992 hours for previous estimate).

Section 579.5 also requires manufacturers to submit notices, bulletins, customer

satisfaction campaigns, consumer advisories and other communications that are sent to more than one dealer or owner. Manufacturers are required to submit this information monthly. Section 579.5 does not require manufacturer to create these documents; rather, only copies of these documents must be submitted to NHTSA. Therefore, the burden hours are only those associated with collecting the documents and submitting copies to NHTSA. Manufacturers must index these communications and email them to NHTSA within 5 working days after the end of the month in which they were issued.

NHTSA continues to estimate that we receive about 7,000 notices a year. We estimate that it takes about 5 minutes to collect, index, and send each notice to NHTSA. Therefore, we continue to estimate that it takes 7,000 documents x 5 minutes = 35,000 minutes or 583 hours for manufacturers to submit notices as required under Part 579.5.

Table 5
Total Burden Hours for this Collection

Reporting Type	Annual Burden Hours
EWR Reporting (Table 3)	47,514
Foreign Reporting (Table 4)	1,146
Part 579.5	583
Total	49,243

Estimated Cost Burdens- We now estimate the calculated cost burdens that this collection imposes on industry. The hourly wage rates shown below have been utilized in previous renewals of this collection and are now updated through June 2016. These current rate adjustments are derived from the Employment Cost Index Historical Listing (Volume III)

provided by the U.S. Bureau of Labor Statistics to adjust for inflation. The non-seasonally adjusted wages and salaries, for private industry workers, were referenced to calculate the following updated 2016 wage rates:

Table 6
Hourly Wage Rates by Occupation

Occupation	Wage Rate	
	2011	2016
Attorney	\$130.39	\$144.47
Engineer	\$130.39	\$144.47
IT	\$145.59	\$161.31
Technical	\$94.09	\$104.25
Clerical	\$30.69	\$34.00

2016 wage data from U.S. Department of Labor.

We have also constructed various breakdowns of the average five minutes of labor among the various occupations depending on the type of document that was reviewed. For example, to combine three minutes of technical labor and two minutes of clerical labor produces a combined wage rate of \$76.15 per hour, using the adjusted 2016 wage rates in Table 6. Table 7 shows the time allocations and weighted hourly rate by report:

Table 7

Time Allocation and Weighted Hourly Rate by Report

Claim Type	Attorney	Engineer	IT	Technical	Clerical	Total Time	Weighted Hourly Rate
Claims of Injury/Death	3	0	0	0	2	5	\$100.29
Property Damage	0	0	0	3	2	5	\$76.15
Mfr. Field Reports	0	0	0	3	2	5	\$76.15
Foreign Deaths	3	10	0	0	2	15	\$129.74

The total cost for 2016 Claims documents were obtained using the following formula:

$$K \times T \times W = \text{Costs for claim type}$$

Where:

K = Documents submitted by industry

T = Average time spent on a document

W = Wage rate based on US Department of Labor and skill mix

For example, the estimated cost to report light vehicle death and injury claims is \$75,899 (9,082 death and injury claims reported x 5/60 hours x \$100.29 wage rate).

NHTSA estimates the reporting costs as a function of

- The number of manufacturers reporting;
- The frequency of required reports;
- The number of hours required per report; and
- The cost of personnel to report.

The number of manufacturers reporting is estimated from EWR submission. The frequency of reports is fixed at 4 times per year. The number of hours for reporting ranges from 1 hour for trailer manufacturer to 8 hours for light vehicle manufacturers (See Table 3). In

addition, we assume that 50 percent of the total burden hours are utilized by technical personnel while clerical staff consumes the remaining 50 percent. In other words, the hourly wage rate for each quarterly report is split evenly between technical and clerical personnel and a weighted average of the wage hour is developed from this assumption. For 2016 the wage rate is \$69.13 ($[\$104.25 \times 0.5] + [\$34.00 \times 0.5]$).

The reporting costs are calculated as follows:

$$M \times T_p \times 4 \times \$69.13 = \text{cost of reporting}$$

Where:

M = Manufacturers reporting data in the category

T_p = Reporting time for the category

4 = Quarterly reports per year

\$69.13 = Reporting cost wage rate (rounded)

Thus, the estimated reporting cost for light vehicles is \$86,272 (39 manufacturers x 8 hours x 4 quarters x \$69.13 wage rate).

The costs for computer maintenance including software, hardware, data storage, etc. were calculated using the following formula:

$$M \times T_c \times I_T = \text{cost of computer maintenance}$$

Where:

M = Manufacturers reporting data in the category

T_c = Annual computer maintenance time per manufacturer for the category

I_T = IT wage rate

The computer maintenance costs for light vehicles are \$2,183,059 (39 manufacturers x 347 hours x \$161.31 wage rate).

Table 8 shows the annual cost of reporting EWR information to NHTSA using the information outlined in tables 1, 2, 3, 6, and 7:

Table 8
Estimate EWR Costs by Submission Type

Category	Light Vehicles	Heavy, Med vehicles	Trailers	Motorcycles	Emergency Vehicles	Buses	Tires	Child Restraints	Equipment Mfr.	Totals
(Injury/Fatality)	\$75,899	\$811	\$109	\$1,128	\$25	\$100	\$618	\$3,159	\$67	\$81,916
Property Damage*	\$54,284	\$3,630	\$133	\$102	\$13	\$349	\$14,348	\$0	\$0	\$72,859
Warranty Claims	Aggregate Data									
Consumer Complaints	Aggregate Data									
Mfr. Field Reports	\$419,247	\$45,825	\$82	\$8,098	\$19	\$2,926	\$0	\$27,028	\$0	\$503,224
Dealer Field Reports	Aggregate Data									
Foreign Death Claims	\$1,914	\$32	\$32	\$65	\$0	\$0	\$65	\$1,135	\$0	\$3,244
Reporting Cost	\$86,272	\$53,920	\$22,121	\$8,295	\$9,678	\$52,537	\$47,007	\$9,401	\$1,659	\$290,891
Computer Maintenance	\$2,183,059	\$544,192	\$1,116,291	\$209,305	\$97,675	\$530,238	\$474,424	\$474,424	\$0	\$5,629,607
Totals:	\$2,820,674	\$648,410	\$1,138,769	\$226,992	\$107,410	\$586,150	\$536,463	\$515,147	\$1,726	\$6,581,741

Note: Totals may not be exact due to rounding.

Table 9 details the total annual costs for reporting annual list of substantially similar vehicles and foreign safety campaigns:

Table 9

Estimated Annual Costs for Substantially Similar Vehicles and Foreign Safety Campaigns

Task	Qty	Occupation	2016 Wage Rate (from Table 6)	Burden hours		Cost
				Per unit	Total	
Annual list	83	Attorney	\$144.47	8	664	\$95,929
Annual list - Electronic	83	IT	\$161.31	1	83	\$13,389
Defect report	133	Clerical	\$34.00	1	133	\$4,523
Defect report	133	Technical	\$104.25	2	266	\$27,731
			Foreign Campaign Totals		1,146	\$141,572

The cost associated for manufacturers to submit Part 579.5 notices, bulletins, customer satisfaction campaigns, consumer advisories and other communications that are sent to more than one dealer or owner can be estimated from the number of hours and wage of personal submitting the documents. We understand that some manufacturers have clerical staff collect and submit the documents and other have technical staff. Because we do not know how many documents are sent by a particular staff we will assume they are done the higher paid staff. Thus, we estimated the cost to collect and submit Part 579.5 documents at 583 hours x \$104.25 for Technical staff = \$60,779 for manufacturers to submit notices as required under Part 579.5.

Table 10 shows the estimated cost for manufacturers to report EWR data, foreign campaigns, and Part 579.5 documents through this collection:

Table 10
Total Dollar Estimates for Manufacturers to Comply with EWR Reporting, Foreign Reporting, and Part 579.5 Reporting

Reporting Type	Annual Cost (\$)
EWR Reporting (Table 8)	\$6,581,741
Foreign Reporting (Table 9)	\$141,572
Part 579.5 Submissions	\$60,779
Total	\$6,784,092

Removed Burdens- Our previous renewal of this collection included one-time cost estimates associated with adding a new vehicle type, fuel and/or propulsion system type, and four new components (stability control, forward collision avoidance, lane departure prevention, and backover prevention) to vehicle EWR reporting. These one-time costs were estimated for manufacturers to amend their reporting templates and revise their software system to support the new reporting requirements. *See* 78 FR 51415. Manufacturers were required to make these changes to their vehicle EWR reporting by January 1, 2015. *See* 79 FR 47591. As these one-time costs have already been incurred and manufacturers have already made the necessary modifications to their systems, a total of 39,296 burden hours and \$4.57 million dollars will be removed from this collection.

Summary of Burden Estimate- Based on the foregoing, we estimate the burden hours for industry to comply with the current 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. We now estimate the cost burden for current EWR requirements, foreign campaign requirements, and Part 579.5 requirements to total \$6,784,092 annually.

Estimated Number of Respondents –

NHTSA receives EWR submissions, foreign campaigns, and Part 579.5 submissions from roughly 292 manufacturers per year.

In summary, we estimate that there will be a total of 292 respondents per year associated with OMB No. 2127-0616.

Michael L. Brown
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