



**DEPARTMENT OF TRANSPORTATION**

**National Highway Traffic Safety Administration**

**[Docket Number NHTSA-2019-0027]**

**Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Request for Comment; State Notification to Consumers of Motor Vehicle Recall Status**

**AGENCY:** National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

**ACTION:** Notice and request for comments.

**SUMMARY:** In compliance with the Paperwork Reduction Act of 1995, this notice announces that the Information Collection Request (ICR) abstracted below will be forwarded to the Office of Management and Budget (OMB) for review, and requests comments on the ICR. A Federal Register Notice with a 60-day comment period soliciting comments on the following information collection was published on May 7, 2019. Three comments were received and a summary of those comments, and NHTSA's response, can be found in the Abstract portion of this notice.

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

**ADDRESSES:** Send comments regarding the burden estimate, including suggestions for reducing the burden, to the Office of Management and Budget, Attention: Desk Office for the National Highway Traffic Safety Administration, 725 17<sup>th</sup> Street, N.W., Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Alexander Ansley, Program Support Division, Office of Defects Investigation (NEF-110), (202) 493-0481, National Highway Traffic Safety Administration, Department of Transportation, 1200 New Jersey Avenue, SE, W48-336,

Washington, DC 20590. Please identify the relevant collection of information by referring to its OMB Control Number.

**SUPPLEMENTARY INFORMATION:** 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. The OMB has promulgated regulations describing what must be included in such a document. In compliance with these requirements, NHTSA asks for public comments on the following proposed collection of information:

**Title of Collection:** State Notification to Consumers of Motor Vehicle Recall Status

**OMB Control Number:** New

**Type of Request:** New information collection request.

**Type of Review:** Regular

**Form Number:** OMB SF 424, OMB SF 424A, and OMB SF 424B.

**Requested Expiration Date of Approval:** 3 years from date of approval.

**Abstract:** 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.<sup>1</sup> 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.<sup>2</sup>

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.<sup>3</sup> 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.<sup>4</sup> 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

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<sup>1</sup> 49 U.S.C. § 30118.

<sup>2</sup> 49 U.S.C. § 30119(d).

<sup>3</sup> 49 U.S.C. § 30119(d) and 49 CFR part 577.

<sup>4</sup> NHTSA, Report to Congress: "Vehicle Safety Recall Completion Rates Report" (2018). A copy of the Vehicle Safety Recall Completion Rates Report is located on NHTSA's website at: [https://www.nhtsa.gov/sites/nhtsa.dot.gov/files/documents/18-3122\\_vehicle\\_safety\\_recall\\_completion\\_rates\\_report\\_to\\_congress-tag.pdf](https://www.nhtsa.gov/sites/nhtsa.dot.gov/files/documents/18-3122_vehicle_safety_recall_completion_rates_report_to_congress-tag.pdf)

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. 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) and NHTSA believes that additional notification by State DMVs would increase consumer awareness of open safety recalls and increase the repair rate of recalled vehicles, thereby reducing the risk of a crash or injury due to a noncompliance or 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 encourages applicants to be creative and innovative when developing a proposal (application) for this grant. NHTSA is interested in proposals that provide vehicle owners and lessees with frequent notifications at touchpoints between the State and the vehicle. For

example, NHTSA is interested in proposals that may offer options at the time of vehicle registration and other unique notification methods (or even follow-up notification). One potential option is to have notification at the time of registration and at motor vehicle emissions and/or safety inspection stations. A State is free to propose a process to make use of the functionality that may exist through its inspection stations or other intersection between the State and the consumer's vehicle. NHTSA does not want to discourage innovative approaches, provided they satisfy the program requirements of notification at the intersection of a vehicle owner or lessee and the State.

NHTSA is also interested in proposals that provide an analysis of recall completion data on an ongoing basis to assist in program evaluation, or assessment of owners' attitudes toward a particular recall notification protocol. In particular, NHTSA is interested in ways for a State to identify the motor vehicles that were remedied following notification of an open recall by the State. NHTSA looks forward to reviewing resourceful approaches that will motivate owners to remedy open recalls.

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. 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.

In response to its 60-day notice posted on May 7, 2019, NHTSA received three (3) comments related to this proposed collection. 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.

**Affected Public:** State vehicle registration authorities

**Estimated Number of Respondents:** 20

**Frequency:** One-time

**Number of Responses:** 20

While this funding opportunity will be made available to all states, NHTSA anticipates an estimated twenty (20) state applications.

**Estimated Total Annual Burden Hours:** 3,200

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.

**Estimated Total Annual Burden Cost:** \$96,153.85

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.<sup>5</sup> Therefore, NHTSA estimates the hourly wage associated with the estimated 3,200 burden hours to be \$60,000 (3,200 hours × \$18.75 per hour = \$60,000). The Bureau of Labor Statistics estimates that for State and local government workers, wages represent 62.4% of total compensation.<sup>6</sup> Therefore, the total cost associated with this collection is estimated to be \$96,153.85. NHTSA does not expect respondents to incur any other costs in responding to this information collection.

**PUBLIC COMMENTS INVITED:** You are asked to comment on any aspect of this information collection, including (a) whether the proposed collection of information is necessary for the Department's performance, including whether the information will have practical utility; (b) the accuracy of the Department's estimated burden; (c) ways for the Department to enhance the quality, utility and clarity of the information collection; and (d) ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

A comment to OMB is most effective if OMB receives it within 30 days of publication.

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<sup>5</sup>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.

<sup>6</sup>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.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, *as amended*; and 49 CFR 1.95.

**Stephen A. Ridella,**

*Director, Office of Defects Investigation.*

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