



National Highway Traffic Safety Administration

49 CFR Part 577

[Docket No. NHTSA-2016-0001]

RIN 2127-AL66

Updated Means of Providing Recall Notification

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

ACTION: Supplemental Notice of Proposed Rulemaking.

SUMMARY: In accordance with the Moving Ahead for Progress in the 21st Century Act (MAP-21) and the Fixing America's Surface Transportation Act (FAST Act), NHTSA is proposing to amend the means of required recall notification to include notification by electronic means, in addition to first-class mail, and proposing certain other attendant obligations related to this requirement. NHTSA is also proposing to revise certain language that is currently required for recall notifications, as well as to update certain language in the regulation and the office designation for NHTSA's Recall Management Division and NHTSA's web address.

DATES: Comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. In compliance with the Paperwork Reduction Act, NHTSA is also seeking comment on a previously approved collection. See the Paperwork Reduction Act section under Regulatory Notices and Analyses below. Please submit all comments relating to the information collection requirements to NHTSA and the Office of Management and Budget (OMB) at the address listed in the ADDRESSES section on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Comments to OMB are most useful if submitted within 30 days of publication.

Proposed compliance date: NHTSA proposes to make the electronic notification requirements in this proposed rule applicable to recalls filed one year or later following

publication of the final rule in the Federal Register. Early compliance is permitted but optional. NHTSA proposes to make compliance with all other requirements in this proposed rule be required as of the effective date of the final rule.

ADDRESSES: You may submit comments by any of the following methods:

- *Internet:* Go to <http://www.regulations.gov> and follow the online instructions for submitting comments.
- *Mail:* Docket Management Facility, M-30, U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building, Room W12-140, Washington, DC 20590.
- *Hand Delivery or Courier:* U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building, Room W12-140, Washington, DC 20590 between 9 a.m. and 5 p.m. Eastern Time, Monday through Friday, except Federal holidays.
- *Facsimile:* (202) 493-2251.

Regardless of how you submit your comments, please include the docket number of this document.

You may also call the Docket at (202) 366-9322.

Note that all comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided. Please see the Privacy Act discussion below.

Privacy Act: Except as provided below, all comments received into the docket will be made public in their entirety. The comments will be searchable by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You should not include information in your comment that you do not want to be made public. You may review DOT's complete Privacy Act Statement in the Federal Register published on April 11, 2000 (65 FR 19477-78) or at <https://www.transportation.gov/privacy>.

FOR FURTHER INFORMATION CONTACT: For non-legal issues, you may

contact Alexander Ansley, Chief, Recall Management Division, at (202) 493-0481. For legal issues, you may contact Stephen Hensch, Office of the Chief Counsel, at (202) 366-5263.

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I. Executive Summary

The Moving Ahead for Progress in the 21st Century Act (MAP-21) authorized the National Highway Traffic Safety Administration (NHTSA) to amend the means by which a manufacturer of a motor vehicle or motor vehicle equipment provides recall notification to owners, purchasers, and dealers that a vehicle or equipment contains a defect related to motor vehicle safety or does not comply with an applicable Federal motor vehicle safety standard

(FMVSS).¹ MAP-21 also authorized NHTSA to order additional follow-up recall notifications if a second notification does not result in an adequate number of motor vehicles or equipment being returned for remedy.² Congress later enacted the Fixing America’s Surface Transportation (FAST) Act, which mandated NHTSA amend 49 CFR part 577 to require the issuance of recall notifications to owners and purchasers by electronic means, in addition to first-class mail.³

On January 25, 2016, NHTSA issued an Advance Notice of Proposed Rulemaking (ANPRM) soliciting comments and supporting information about how the agency may update the means manufacturers must utilize to effectively notify owners and purchasers of a recall (whether as a first notification or as a follow-up notification).⁴ On September 2, 2016, after consideration of comments received in response to the ANPRM, NHTSA issued a Notice of Proposed Rulemaking (NPRM) proposing to amend 49 CFR part 577 to require that manufacturers issue recall notifications to affected owners, purchasers, and lessees by electronic means in addition to first-class mail, as well as require that follow-up recall notifications be issued by electronic means, in addition to first-class mail.⁵ For simplicity in the preamble of this proposed rule, “owners” includes lessees.

After further consideration, including a review of the comments received in response to the NPRM and based on additional learnings—including knowledge acquired through the ongoing oversight of the Takata recalls, where manufacturers commonly use electronic forms of recall notification—NHTSA is issuing this supplemental notice of proposed rulemaking (SNPRM). NHTSA believes that this supplemental proposal will better ensure electronic recall notifications reach and provide effective notice to owners and purchasers. Effective recall notifications are critical to ensuring that as many vehicles and items of equipment as possible are

¹ Pub. L. 112–141, 31310, 126 Stat. 771 (2012).

² *Id.*

³ Pub. L. 114–94, 24104, 129 Stat. 1703 (2015).

⁴ 81 FR 4007 (Jan. 25, 2016).

⁵ 81 FR 60332 (Sept. 1, 2016).

remedied, addressing the safety risk of a defect or noncompliance.⁶ In this SNPRM, NHTSA again proposes to amend 49 CFR part 577 to require that manufacturers issue recall notifications to affected owners and purchasers by electronic means in addition to first-class mail. This multi-channel, multi-touch approach helps to effectively communicate a recall and motivate completion.⁷ The increasing use of electronic recall communications and the agency's greater understanding of potential data sources supporting such communications over the last several years has informed this supplemental proposal.

After further consideration, NHTSA believes certain meaningful changes to its prior proposal are warranted and invites comment on such changes. One of the primary revisions from the NPRM is what is now a two-tiered approach to issuing electronic recall notification. This approach first requires all reasonable efforts to send electronic notification through contact information specific to each owner and purchaser. Then, if electronic notification cannot be sent in that manner, the electronic notification must be issued by other electronic means reasonably calculated to reach the owners and purchasers who could not be reached through individual contact information. The main purpose of this approach is to promote the use of notifications that are most likely to reach and persuade owners and purchasers. Such notifications are, in the agency's experience—including from working with over a dozen vehicle manufacturers issuing numerous communications to owners in the Takata recalls—direct communications to the specific consumer.

Other revisions from the NPRM include increased flexibility with respect to the content of the electronic notification, and an added requirement that manufacturers submit to the agency electronic notification plans that describe anticipated approaches to electronic recall notification.

NHTSA is also proposing several revisions to 49 CFR part 577 that are not specific to recall notification by electronic means. One proposed revision is to the language required on the

⁶ See “Tips for Increasing Recall Completion Rates,” <https://www.nhtsa.gov/vehicle-manufacturers/tips-increasing-recall-completion-rates>.

⁷ See *id.*

outside of each envelope containing an owner notification letter under 49 CFR 577.5(a) and at the top of the owner notification letter under 49 CFR 577.5(b), which NHTSA is proposing to change from “SAFETY RECALL NOTICE” and “IMPORTANT SAFETY RECALL” (respectively) to “URGENT SAFETY RECALL” in both locations. A second proposed revision is to language in 49 CFR 577.5 that currently refers to a “failure to conform” and products that “fail to conform” to an applicable Federal motor vehicle safety standard. The proposed revisions read instead “does not comply with,” which is more in alignment with the statutory language and ordinary usage in this context. NHTSA is also proposing to update the website to which owners are to be directed for recall notifications—changing “<http://www.safercar.gov>” to “<http://www.nhtsa.gov>”—and two revisions to update the office designation for NHTSA’s Recall Management Division (changing “NVS-215” to “NEF-107”).

The agency invites public comment on its additional proposed revisions to part 577.

II. Background and Summary of Notice of Proposed Rulemaking

A. Notification Requirements before and after MAP-21 and the FAST Act

The National Traffic and Motor Vehicle Safety Act (Vehicle Safety Act), 49 U.S.C. 30118(c), requires that, in the event of a safety defect or noncompliance with an applicable FMVSS in a motor vehicle or replacement equipment, manufacturers must notify owners, purchasers, and dealers of the vehicle or equipment pursuant to 49 U.S.C. 30119. 49 U.S.C. 30119(d) governs how this notice is given. Prior to MAP-21, for recalls of vehicles, Section 30119(d) required notice to be sent by first-class mail to the registered owner or, if the registered owner could not be identified, to the most recent purchaser known to the manufacturer.⁸ For recalls of replacement equipment, the statute required notification by first-class mail to the most recent purchaser.⁹ Manufacturers were also required to notify dealers under the statute “by

⁸ 49 U.S.C. 30119(d)(1)(A)–(B) (as effective to September 30, 2012).

⁹ *Id.* Replacement equipment includes, *e.g.*, motorcycle helmets and child restraint systems. *See* 49 U.S.C. 30102(b)(1)(D) (providing that for purposes of, *inter alia*, 49 U.S.C. 30118–30121, “replacement equipment” is motor vehicle equipment that is not original equipment); *id.* sec. 30102(b)(1)(C) (defining original equipment as that which is installed on a motor vehicle at the time of delivery to the first purchaser); *see also* 49 CFR 573.4 (similar definitions).

certified mail or quicker means if available.”¹⁰

In 2012, Section 31310 of MAP-21 amended the notice provisions in 49 U.S.C. 30119(d) to allow the Secretary, and by delegation NHTSA’s Administrator,¹¹ the flexibility to determine the manner by which notifications of recalls under 49 U.S.C. 30118 must be sent. The amended statutory language permitted the agency to engage in a rulemaking to require notification by means other than (or in addition to) first-class mail to owners and purchasers of vehicles or equipment subject to safety recalls. In 2015, the FAST Act expounded on this authority by specifically mandating the agency amend 49 CFR 577.7 to include the issuance of recall notifications by electronic means in addition to notification by first-class mail.¹²

While 49 U.S.C. 30119 previously authorized the Secretary to order a second recall notification if the Secretary determined that the first notification failed to result in an adequate number of motor vehicles or items of equipment being returned for remedy, the statute was silent as to notifications beyond this second notification. Section 31310 of MAP-21 clarified this issue by amending 49 U.S.C. 30119(e), which now, under 49 U.S.C. 30119(e)(2)(A)(i), authorizes the Secretary to order additional notifications if the Secretary determines that a second notification also failed to result in an adequate number of motor vehicles or items of equipment being returned for remedy.

B. Summary of the 2016 Notice of Proposed Rulemaking

In the NPRM issued in September 2016, NHTSA proposed amending 49 CFR 577.7 to require that manufacturers issue recall notifications by electronic means, in addition to first-class mail, each time a recall notification is required.¹³ The agency proposed that “electronic means”

¹⁰ *Id.* at 30119(d)(4).

¹¹ NHTSA is delegated authority by the Secretary of Transportation to carry out Chapter 301 of Title 49 of the United States Code. 49 CFR 501.2.

¹² Notification to dealers and distributors is generally required to be sent “by certified mail, verifiable or electronic means such as receipts or logs from electronic mail or satellite distribution system, or other more expeditious and verifiable means.” 49 CFR 577.7(c)(2). Dealers and distributors are not notified by first-class mail. Therefore, the FAST Act did not require the agency to change the means of notification for dealers and distributors, and NHTSA is not doing so here.

¹³ NHTSA issued an ANRPM on January 25, 2016. That ANRPM is summarized in the NPRM. 81 FR 4007 (ANRPM); 81 FR 60332 (NPRM).

include “electronic mail, text messages, radio, or television notifications, vehicle infotainment console messages, over-the-air alerts, social media or targeted online campaigns, phone calls, including automated phone calls, or other real time means.” The proposal would have permitted, without further direction, manufacturer discretion to select the electronic means. NHTSA also proposed retaining agency discretion to require manufacturers to issue additional recall notifications by other electronic means if a manufacturer’s chosen means was impractical, did not feasibly reach all of the impacted purchasers or owners, or the agency otherwise deemed the means inappropriate.

NHTSA further proposed to require that: electronic recall notifications comply with the content requirements in 49 CFR part 577; electronic recall notifications provide a hyperlink to a notice that complies with those requirements, or the manufacturer provide a representative copy of such a notice along with instructions on how an owner can determine whether a vehicle or an item of equipment is impacted; and the electronic recall notification direct recipients to NHTSA’s VIN search tool and the manufacturer’s search tool.¹⁴ NHTSA also proposed amending 49 CFR 577.10, consistent with the above, to clarify that where NHTSA requires follow-up recall notifications, those notifications must be issued by electronic means, in addition to first-class mail.

NHTSA invited comment on these and any alternative proposals that would allow manufacturers numerous options for issuing electronic recall notification while ensuring the communication of the traditional components of part 577 first-class mailings. NHTSA specifically requested comment on its proposals to: permit manufacturer discretion as to the means chosen to issue electronic notifications; the agency’s proposed definition of “electronic means” and whether further definition of the term “social media or targeted online campaigns”

¹⁴ Under 49 CFR 573.15, “[m]anufacturers that have manufactured for sale, sold, offered for sale, introduced or delivered for introduction in interstate commerce, or imported into the United States 25,000 or more light vehicles, or 5,000 or more motorcycles in the current calendar year or prior calendar year” are required to support NHTSA’s VIN search tool and offer VIN-based safety recall search tools on its website pursuant to existing regulation. NHTSA’s VIN search tool is available at <https://www.nhtsa.gov/recalls>.

was needed; the agency's proposal to require manufacturers required to support NHTSA's VIN search tool and offer VIN-based safety recall search tools on their websites to include in their electronic notifications directions to those tools; and the agency's clarification that follow-up notifications must be issued by, in addition to first-class mail, electronic means consistent with the rule.

III. Comments on the 2016 Notice of Proposed Rulemaking and NHTSA's Responses

NHTSA received comments from fourteen commenters on its NPRM: Jeff Burton (commenting as an individual); School Bus Manufacturers Technical Council (SBMTC); SafetyBeltSafe U.S.A. (SafetyBeltSafe); Harley-Davidson Motor Company (Harley-Davidson); National School Transportation Association (NSTA); Cummins, Inc. (Cummins); Advocates for Highway & Auto Safety (Advocates); IHS Automotive (IHS); Tire Industry Association (TIA); Rubber Manufacturers Association (RMA); Truck and Engine Manufacturers Association (EMA); National Automobile Dealers Association (NADA); and Alliance of Automobile Manufacturers, Inc. and Association of Global Automakers, Inc., which submitted joint comments (Alliance and Global). All comments were reviewed and considered, and to the extent relevant to this supplemental proposal are discussed in this section by subject matter.

A. NHTSA's Authority and Scope of the Rule

Alliance and Global commented that Congress only intended the FAST Act to authorize the issuance of recall notifications using electronic means in certain recalls—not to require the use of electronic means for all recalls. Several commenters also expressed concern that the rule might conflict with certain Federal laws such as the Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM Act), the Telephone Consumer Protection Act (TCPA), and the Do-Not-Call Implementation Act. NADA and Alliance and Global requested that NHTSA obtain acknowledgement from the Federal Communications Commission (FCC) and Federal Trade Commission (FTC) that notifications issued under the rule would be permitted under those laws.

NHTSA disagrees with the interpretation from Alliance and Global. The FAST Act specifically provides that “the Secretary shall prescribe a final rule revising the regulations under [49 CFR 577.7] to include notification by electronic means in addition to notification by first-class mail.”¹⁵ This language mandates a change so that electronic notifications are included in the regulation with the same force as first-class mail notifications and to apply to all recalls, as first-class mail notification currently does.

As to the concerns pertaining to potential conflict with Federal laws, NHTSA reiterates that this rule is legally mandated, and based on the agency’s analysis and judgment, NHTSA has determined that this supplemental proposed rule will not conflict with these laws; recall notifications are safety-related informational messages. For many years manufacturers have been using electronic means of recall notification as a supplement to their required mailed notices, and NHTSA is unaware of the FCC or FTC taking any adverse action against entities issuing such electronic notifications. Indeed, IHS commented that manufacturers are already providing notifications via channels other than first-class mail, and Alliance and Global acknowledged in their comments that in recent recalls many of its members have used various electronic means of recall notification.

B. Electronic Notification Requirements

As a general matter, comments were supportive of the proposed rule, particularly for its potential to increase the reach of recall notifications and the flexibility it would afford manufacturers by allowing them to choose the electronic means best suited to a recall. Many critical comments centered on the specific means of electronic notification proposed, and the specific content proposed for those notifications. Comments were also fairly extensive on additional and follow-up notifications under the proposal.

1. Means of Required Electronic Notification

Comments on this topic included IHS’s request that the regulations be drafted broadly

¹⁵ Pub. L. 114–94, 24104(a)(1) (2015).

“so as not to limit the means of providing notice which may not be contemplated today.”

Advocates commented that NHTSA should require manufacturers to issue electronic notifications both directly to individuals (*e.g.*, through email), as well as issue more general notifications (*e.g.*, through social-media campaigns), while Alliance and Global commented that they do not believe that every recall should require both first-class mail and electronic notification. RMA observed that tire manufacturers do not receive electronic contact information from tire purchasers as part of the tire registration process, and so it “strongly supports the flexibility” for manufacturers to choose the electronic means they use to provide notification under the proposed rule. TIA expressed concern with collecting email addresses at the point of sale, and requested NHTSA study and consider establishing a third-party data depository.¹⁶ Harley-Davidson, agreeing with the flexibility of the rule, suggested adding language to clarify that multiple, different means of electronic notification may be used in a single recall to reach owners and purchasers. Alliance and Global requested clarification of the meaning of “other media,” as included in the proposal, given that the proposed rule would require electronic recall communication. Cummins requested the final rule allow multiple manufacturers involved in the same recall to issue electronic recall notifications on behalf of one another to collectively satisfy their obligations.¹⁷

As explained further below, NHTSA is proposing to require that manufacturers issue both electronic and first-class mail recall notifications for every recall, but is modifying the rule previously proposed in the NPRM with a two-tiered approach to targeting recipients of the notification. Specifically, the proposed rule would require that manufacturers use all reasonable efforts to issue electronic recall notifications through contact information specific to each

¹⁶ TIA also submitted extensive comment on its support for a TIN to VIN system. While NHTSA recognizes there may be benefits to such a system that, among other things, may make electronic recall notification “easier,” the potential creation of such a system is beyond the scope of this proposed rule.

¹⁷ For example, Manufacturers A and B could agree that Manufacturer A will issue email notifications on behalf of both manufacturers, and Manufacturer B will issue a radio campaign and first-class mail notifications on behalf of both manufacturers—thereby satisfying, through electronic mail, radio, and first-class mail, both Manufacturer A’s and B’s obligations under the rule.

individual owner and purchaser. If not every affected owner and purchaser can be reached through such notification (*e.g.*, because relevant contact information is unavailable), then manufacturers must issue additional electronic notification reasonably calculated to reach those who are unreachable through contact information specific to them (*i.e.*, more general forms of notification, such as radio or social media campaigns). NHTSA believes this approach best promotes the use of electronic notifications that are most likely to reach affected owners and purchasers and improve recall participation, while at the same time mitigates costs to manufacturers where all individual owners and purchasers can otherwise be notified directly through electronic means.

Accordingly, under the proposed rule, manufacturers may, and likely often will, issue electronic notifications by multiple means to address a single recall and are not required to use one specific means. NHTSA intends the proposed rule to allow for multiple electronic means and recognizes Harley-Davidson's comment to add clearer language to this effect, although the agency believes that the relevant provision's definition that "include[s] notification by any of the following" electronic means is sufficient.¹⁸ NHTSA also believes it has sufficiently afforded manufacturers the flexibility to choose the electronic means by which they issue recall notifications in the proposed rule—including means, as IHS commented, that "may not be contemplated today"—by providing an extensive but non-exhaustive list of potential electronic means of notification in the proposed rule. In the same vein, the proposed rule does not attempt to further define, nor in any particular way limit, "social media or targeted online campaigns," which should alleviate concern that further definition of that term could "constrain innovation in the recall communication space."

In further alignment with the proposed rule's flexibility, NHTSA declines to limit "traditional broadcast methods such as print media, radio and television" to only "rare . . .

¹⁸ Such a framework—allowing for a combination of multiple electronic means as needed to notify consumers—should also address TIA's concern about collecting one specific type of contact information (email addresses) at the point of sale.

significant, large-scale recall[s],” as RMA requested in its comments. NHTSA emphasizes that manufacturers must evaluate the circumstances of any particular recall on a case-by-case basis and does not wish to prospectively limit—or, conversely, direct—the potential use of certain electronic means of notification. As explained above, to improve recall participation while at the same time mitigate costs to manufacturers, the proposed rule requires all reasonable efforts to issue electronic notification using contact information specific to individual owners and purchasers, and where such notification is not feasible, additional means of notification (such as, perhaps, some of the “traditional broadcast methods” RMA references) are required.

NHTSA also declines in this proposed rule to allow, as suggested by Cummins, multiple manufacturers involved in the same recall to issue electronic recall notifications on behalf of one another to collectively satisfy their electronic-notification obligations. NHTSA certainly encourages manufacturers to share recall-related knowledge, information, and best practices with one another. However, NHTSA believes that requiring each manufacturer to independently satisfy the notification requirements in the proposed rule is preferable to a “divide-and-conquer” approach—even where a manufacturer’s notifications may overlap with those of another involved manufacturer.¹⁹ NHTSA encourages coordination among manufacturers to effectively address recalls, although NHTSA believes that the overall effectiveness of the rule is best advanced by each manufacturer meeting the requirements on an individual basis.

Indeed, a greater number of recall notifications issued through a greater variety of means should generally increase recall participation and the likelihood that notification will ultimately reach all affected owners and purchasers.²⁰ If manufacturers were permitted to satisfy their

¹⁹ While NHTSA acknowledges Cummins’s concern that certain contact information may be limited for some manufacturers, the agency believes that with the numerous electronic means available—including but not limited to those referenced in the rule—even in such circumstances manufacturers will be able to independently satisfy their obligations.

²⁰ Although perhaps some affected owners and purchasers will be unmotivated to participate regardless of the nature and number of notifications they receive, based on the agency’s experience, analysis, and judgment, the increased dissemination of recall information far outweighs this potential shortcoming. *See generally* 82 FR 60789, 60793-94 (Dec. 22, 2017) (explaining, in discussion about the Takata air bag inflator recalls, how available information supports notion that frequent outreach via multiple communications methods is effective).

obligations through other manufacturers' notifications, recalls would involve fewer notifications issued through fewer means—which could have the opposite effect. Furthermore, manufacturers recurrently involved with one another in the same recalls could, over time, become dependent on each other to issue notifications by certain electronic means, which could negatively impact the efficacy and development of electronic notifications in future recalls. Specifically, allowing manufacturers to issue electronic notifications on behalf of one another could discourage manufacturers to, as each recall arises, independently revisit and evaluate their own universe of available electronic means (and the effectiveness thereof). Without the onus on each manufacturer to reach its affected owners and purchasers, manufacturers are unlikely to improve their approaches to electronic recall notification, *e.g.*, through the gathering of additional electronic contact information, or exploring additional means that may be more effective. Such improvements may be critical to reaching affected owners and purchasers in recalls that do not involve multiple manufacturers accustomed to issuing notifications on one other's behalf.

It should be reiterated from the NPRM that this supplemental proposed rule neither amends, nor alters, a manufacturer's obligations under 49 CFR part 573. Manufacturers must continue to comply with 49 CFR 573.6 by filing representative copies of "all notices, bulletins, and other communications that relate directly to the defect or noncompliance and are sent to more than one manufacturer, distributor, dealer, or purchaser." Electronic notifications are notices, bulletins, or other communications under 49 CFR 573.6. Currently, manufacturers provide representative copies to NHTSA via the online Recalls Portal. Under this proposed rule, manufacturers will continue to do so for required electronic notification, as the online Recalls Portal will be updated to allow for manufacturers to select an applicable electronic means of notification. Representative copies of notification are required even if a manufacturer chooses to issue notices via electronic means such as radio or television notifications, vehicle infotainment console message, over-the-air alerts, telephone calls, or other means. Recognizing the potentially large file sizes of some such notifications, however (*e.g.*, videos), NHTSA

encourages manufacturers to submit representative copies of electronic notifications to the online Recalls Portal in a file format or manner with minimal storage requirements. Manufacturers may submit, for example, hyperlinks to the notification, screenshots of messages or alerts, or scripts of calls or other radio messages.

This supplemental proposed rule requires recall notification by both electronic means and first-class mail for every recall, but not necessarily for every instance of notification for that recall. In short, a manufacturer must provide electronic notification for both the initial “interim” (if necessary, where a remedy is unavailable at the time of notification) and “final” recall notifications.²¹ As described above, the agency believes this requirement will increase the likelihood that notification will ultimately reach all affected owners and purchasers and increase recall participation. However, while the Administrator may require follow-up notifications under 49 CFR 577.10, this proposed rule does not require those notifications always be by both first-class mail and electronic means.²² To clarify, NHTSA is proposing to add language relating to electronic means of notification to 49 CFR 577.10(g) to ensure that follow-up electronic notifications issued under that section conform to the requirements for electronic notifications that are in this supplemental proposed rule. NHTSA also confirms that this supplemental proposed rule requiring notification by electronic means does not apply to voluntary follow-up recall notifications, although the agency encourages manufacturers to issue notifications by the means most likely to reach and motivate affected owners and purchasers. In addition, to address the request from Alliance and Global to clarify the meaning of “other media” under 49 CFR 577.10(g), that term may include, for example, various forms of print media other than first-class mail.

2. Content of Required Electronic Notification

²¹ Manufacturers must issue a recall notification no later than 60 days from the date they file a defect or noncompliance information report, and where a remedy is unavailable at the time of that notification, manufacturers must also issue a second notification within a reasonable time (and in accordance with part 577) once a remedy becomes available. 49 CFR 577.7(a)(1).

²² The current regulation provides, in part, that “[t]he scope, timing, form, and content of such follow-up notification will be established by the Administrator, in consultation with the manufacturer.” 49 CFR 577.10(a).

As to the content required in notifications, IHS observed that the proposed rule would require that electronic recall notifications contain, in addition to any applicable references to VIN search tools, all the content that must be included in first-class mail notifications under 49 CFR 577.5. Alliance and Global and IHS questioned the value of such content because if the first-class mail notification did not result in recall completion, electronic notification containing the same language would be unlikely to yield a different result. Alliance and Global, while not “objecting” to the notion, suggested that there could be value in not requiring manufacturers to direct viewers to VIN search tools in broad electronic notification—and instead allowing manufacturers more flexibility in determining the content of such notifications. IHS further hypothesized a potential unintended consequence of the rule’s content requirement: limiting the electronic means used because the extent of the required content may render some electronic notifications “unintelligible.” Toyota observed that requiring all the text in 577 would be difficult for in-vehicle recall messages, because owners would need to scroll to view the entire message and may be dissuaded from reading them. Toyota noted it would be more effective if messages in this format were “short and to the point.”

The NPRM did allow for providing, in lieu of the content of the first-class mail notice on the face of the electronic notification, an internet hyperlink to that content (or a representative copy of a notice with that content). However, this supplemental proposed rule is more flexible, requiring that the content in electronic notification must not be “inconsistent” with 49 U.S.C. 30119 (as opposed to requiring compliance with 49 CFR 577.7),²³ and requiring an internet hyperlink to a representative copy of the first-class mail notice only “where practical and can be included in a manner consistent with the purpose of [49 CFR part 577].” Such an approach should alleviate concerns about the redundancy and/or unintelligibility of electronic notifications. However, consistent with its recent experience and learnings in the recall space,

²³ Note the proposed approach still requires adherence to 49 CFR 577.8 (generally prohibiting the inclusion of disclaimers).

NHTSA also believes that, in some cases, language from a first-class mail notice might have a different effect on an owner or purchaser when the means of delivery is electronic—even if the first-class mail notice did not motivate the owner or purchaser to obtain a remedy.²⁴

As to Alliance and Global’s comments questioning the value of directing recipients to VIN search tools, NHTSA considers such information vital to improving recall participation. Moreover, this content requirement is minimally burdensome and does not, in the agency’s view, substantially hinder a manufacturer’s ability to, as Alliance and Global state, “design electronic notifications that might appeal to hard-to-reach populations.” The requirement also provides substantive consistency between the first-class mail notice and the electronic notice such that owners are more likely to associate the notices with one another, thereby reinforcing their authority and credibility. NHTSA is, however, revising its proposal to only require that owners be directed to *either* NHTSA’s *or* the manufacturer’s VIN search tool (not both).

3. Additional and Follow-Up Notification Requirements

Alliance and Global requested that NHTSA justify why manufacturers must issue every recall notification (including follow-up notifications) by both electronic means and first-class mail. Alliance and Global also requested confirmation that the proposed rule’s electronic-notification requirement would apply only to notifications issued pursuant to regulations—*i.e.*, not to voluntary follow-up notifications. As explained above, while the Administrator may require follow-up notifications under 49 CFR 577.10, this proposed rule does not require those notifications always be by both first-class mail and electronic means, and this was not NHTSA’s intent in the NPRM. Follow-up electronic notifications that are issued under that section would need to conform to the requirements for electronic notifications that are in this supplemental

²⁴ See generally *Tips for Increasing Recall Completion Rates*, NHTSA, <https://www.nhtsa.gov/vehicle-manufacturers/tips-increasing-recall-completion-rates> (last visited Nov. 8, 2024) (noting multi-channel outreach, including forms of electronic communication); The Independent Monitor of Takata and the Coordinated Remedy Program, *Update on the State of the Takata Airbag Recalls* (Jan. 23, 2020) at 8, *available at* https://www.nhtsa.gov/sites/nhtsa.gov/files/documents/update_on_the_state_of_the_takata_airbag_recalls-012320-tag.pdf (observing escalation of outreach communications, both in frequency and in type, “has proven successful to engage previously unresponsive affected vehicle owners”).

proposed rule. Notification by electronic means is also not required for voluntary follow-up recall notifications, although the agency encourages manufacturers to issue notifications by the means most likely to reach and motivate affected owners and purchasers.

EMA, Alliance and Global, and Harley-Davidson also commented on NHTSA's discretion to require manufacturers to issue additional notification by other electronic means where NHTSA deems that a manufacturer's chosen electronic means is impractical, does not feasibly reach all of the purchasers or owners impacted, or is otherwise inappropriate. Specifically, Harley-Davidson requested clarification of what constitutes "impractical" and "inappropriate" electronic means of notification, as well as clarification of what factors would inform NHTSA whether to require a manufacturer to issue additional notification by other electronic means. Harley-Davidson suggested that NHTSA at a minimum consider the facts and circumstances surrounding the recall, including safety risk, scope, and recall completion at the time of the determination. EMA and Alliance and Global expressed more foundational concerns about NHTSA's discretion. Alliance and Global asserted that NHTSA's discretion would be unfettered, and that NHTSA would be able to exercise its discretion on every recall because it is impossible to identify an electronic communication that will feasibly reach every affected owner and purchaser. EMA suggested that NHTSA might even require a manufacturer to use a method of notification that is ineffective or impracticable.

To address such concerns, EMA and Alliance and Global requested regulatory provisions, including "safe harbors," to give deference to a manufacturer's chosen means of electronic notification. Specifically, EMA requested the rule require that NHTSA consult with manufacturers before the issuance of additional notification by electronic means, and further suggested a safe harbor for the follow-up provisions of 49 CFR 577.10 to provide that NHTSA will not ordinarily order a manufacturer to issue additional notifications via an electronic means different from that which the manufacturer has chosen. Alliance and Global also requested a safe harbor for the issuance of additional notification by electronic means: a presumption that

NHTSA will not ordinarily order a different means of electronic notification after it approves the form of notification selected and identified by the manufacturer in a report under 49 CFR part 573.

NHTSA again is proposing to retain agency discretion to require manufacturers to issue additional recall notifications by other electronic means if a manufacturer's chosen means is impractical, does not feasibly reach all of the impacted purchasers or owners, or the agency otherwise deems the means inappropriate. NHTSA intends to consider all relevant facts and circumstances of each recall when determining whether to require additional notification by electronic means, including but not limited to the factors Harley-Davidson listed in its comments. Some additional factors NHTSA may consider are reflected in 49 CFR 577.10(b) (listing factors relevant to whether to require follow-up notifications).

As a general response to EMA's and Alliance and Global's comments expressing concern about NHTSA's discretion to require additional notification by electronic means, the agency reiterates that Congress mandated NHTSA implement a rule requiring manufacturers issue recall notification by electronic means, and the provisions of the FAST Act reflect an interest in improving recall notification and completion. NHTSA is fulfilling this mandate pursuant to its statutory and regulatory authority through the framework set out in this proposed rule which, including the provisions retaining agency discretion, is consistent with the purpose and objectives of the Safety Act and Congress's intent.²⁵

Alliance and Global expressed particular concern that NHTSA could exercise such discretion in every recall because it is impossible to identify an electronic communication that will feasibly reach all affected owners and purchasers. "Feasible" means, in most relevant part, "capable of being done or carried out," or "reasonable, likely."²⁶ And NHTSA believes that for

²⁵ As to EMA's more specific concern that NHTSA may require a manufacturer to use an ineffective or impracticable method of notification, NHTSA has no intention of requiring any action that fails to further the objectives of the Safety Act.

²⁶ See Merriam-Webster Online Dictionary, *feasible*, <https://www.merriam-webster.com/dictionary/feasible> (last visited Nov. 8, 2024).

every recall there will exist a notification by electronic means, or a combination of such means, that is reasonably likely to reach each affected owner and purchaser. Notably, in their comments Alliance and Global cite only to relatively individualized electronic means of notification—stating they are “unaware of any email list, text message directory, or social media outlet that will reach all affected owners” (emphasis removed). There are many other, broader electronic means available that do not require such information. The proposed rule contemplates the very concern Alliance and Global express here, and prescribes (in fact, requires) a solution: additional notification by general electronic means reasonably calculated to reach other affected owners and purchasers.

Adopting EMA’s proposal to require that NHTSA consult with a manufacturer before requiring additional notification by electronic means risks undermining a significant cornerstone of the rule: flexibility afforded to manufacturers to choose the means of electronic notification. Part of the appeal of such flexibility is that manufacturers are often well-positioned to gauge the likely effectiveness of various electronic means of notification for any particular recall.²⁷ In accord with this approach, NHTSA anticipates exercising discretion to require additional notifications by electronic means in relatively limited situations, as it does today for first-class mail notifications.

Consultation with NHTSA may become necessary, however, where a manufacturer’s chosen means has not produced results—*i.e.*, an adequate number of vehicles returned to remedy.²⁸ At that juncture NHTSA finds it appropriate and in alignment with the flexibility of the proposed rule that the agency consult with the manufacturer to develop an approach to improve the effectiveness of its recall notifications. This framework is already reflected in the regulations, and NHTSA finds no reason to add additional language to this effect in 49 CFR

²⁷ This flexibility may be particularly beneficial when a recall involves vehicles not owned by individuals, but entities—as SBMTC recognized with respect to its school buses, which are owned by fleet agencies, school districts, and counties.

²⁸ See 49 CFR 577.10(a).

577.10, as EMA appears to request.²⁹ Similarly, as NHTSA believes this existing framework best carries out Congress’s mandate and balances, among other things, flexibility, oversight, and accountability, the agency also finds no reason to adopt an explicit safe harbor or presumption to defer to a manufacturer’s chosen means of electronic notification.

This supplemental proposed rule, however, includes a requirement not included in the NPRM: that manufacturers submit, by the effective date of this rule, an “electronic recall notification plan.” At a minimum, this plan must describe the means of electronic notification that the manufacturer anticipates using for its recalls (based on, *e.g.*, the typical contact information available for owners and purchasers) and describe how the manufacturer expects to approach the selection of electronic means for a recall (*e.g.*, noting any preferences for certain means, and why). A manufacturer’s electronic recall notification must be consistent with its plans unless the manufacturer notifies NHTSA ten days before the issuance of electronic notifications that the notification will be inconsistent with the plan. Such electronic recall notification plans must be submitted to the agency every five years, although a revised plan may be submitted at any time to account for changes in approaches to electronic recall notification. NHTSA believes this requirement adequately appries the agency of each manufacturer’s general approach to electronic recall notification, while preserving manufacturers’ flexibility to select electronic means best suited for each recall.

Currently, 49 CFR 573.15 requires manufacturers of a certain number of light vehicles or motorcycles in the current or prior calendar year to support NHTSA’s VIN search tool and offer VIN-based safety recall search tools on their websites. NHTSA requests public comment on whether to implement a similar threshold for this requirement to submit an electronic recall notification plan to NHTSA.

C. Application of the Rule to Vehicles Built Before the Compliance Date, and Lead Time

²⁹ This supplemental proposed rule would merely confirm that the Administrator also has the option to require follow-up notification by electronic means (in addition to the option to require first-class mail and/or other media).

NHTSA proposes to make the electronic notification requirements applicable to recalls filed one year or later following publication of the final rule in the Federal Register, with early compliance permitted but optional. NHTSA proposes to make compliance with all other requirements in this proposed rule be required on the effective date of the final rule.

EMA commented that the final rule should not apply to recalled vehicles built before the compliance date of the rule. EMA requested this approach because information to achieve the likely most effective electronic means of notification for heavy-duty vehicles—email, telephone, and/or text—will not in all cases be known to the manufacturer until after the compliance date of the final rule. Cummins similarly requested, without additional comment, that the final rule not apply to vehicles manufactured prior to the compliance date.

NHTSA declines to limit the proposed rule’s applicability to only vehicles built after the compliance date of the rule. NHTSA recognizes that for some recalls, individualized notification by electronic means such as those EMA references in its comments will be unavailable for some affected owners and/or purchasers because of the unavailability of the owners’ or purchasers’ electronic contact information. However, this does not preclude a manufacturer from issuing broader notification by other electronic means to reach vehicle owners, such as through radio or social media. While direct notification through contact information specific to the owner is preferred, NHTSA has contemplated the difficulties associated with, among other things, recalls involving older vehicles. Accordingly, the proposed rule implements the two-tiered approach discussed above: requiring all reasonable efforts to effect notification through contact information specific to each owner, and where notification cannot be effected in that manner, requiring additional notification by other electronic means reasonably calculated to reach the owners that could not be reached.

EMA also observed that the NPRM did not address the lead time for manufacturers ahead of when the agency would require compliance with this rule. EMA commented that the compliance date should be no sooner than one year after publication, which would allow

manufacturers to make necessary changes to their databases and systems. SBMTC requested a longer, three-year lead time, stating that a majority of manufacturers do not have electronic notification systems or necessary databases of information in place. Cummins generally requested a lead time sufficient to obtain relevant data and build records.

NHTSA proposes to make the electronic notification requirement applicable to recalls filed one year or later following publication of the final rule in the Federal Register. NHTSA recognizes that manufacturers require time to develop procedures and collect information to effect notification by electronic means as provided in this supplemental proposed rule and believes that one year is adequate for manufacturers to do so. This lead time will apply to all manufacturers, regardless of whether they are manufacturers of motor vehicles or motor vehicle equipment, and regardless of the type of motor vehicles or motor vehicle equipment they manufacture. Although manufacturers will have this lead time, NHTSA nonetheless would encourage the adoption of the requirements as soon as practicable.

IV. Proposed Changes to Recall Notification Requirements

Accordingly, consistent with the above, NHTSA is proposing the following revisions to 49 CFR part 577 related to electronic recall notifications, which differ in several respects from what was previously proposed in the NPRM.

NHTSA is, as it did in the NPRM, proposing to amend 49 CFR 577.7 to require that manufacturers issue recall notifications by electronic means, in addition to first-class mail, each time a recall notification is required. Notification by electronic means includes notification by any of the following: electronic mail, text message, radio or television notification, in-vehicle notification, social media or targeted online campaign, telephone call (automated or otherwise), or other similar electronic means. Copies of proposed notifications by electronic means must be submitted to NHTSA's Recall Management Division (NEF-107) through the online Manufacturers Recall Portal no fewer than five Federal Government business days before the manufacturer intends to begin sending the notifications.

NHTSA is also differing from the NPRM in that it is now proposing that electronic recall notification be accomplished using a two-tiered approach. First, all reasonable efforts must be made to transmit the notification by electronic means through contact information specific to each individual owner and purchaser. Then, where any such person(s) cannot be notified in this manner, additional notification by electronic means must be issued that is reasonably calculated to reach such person(s).

This supplemental proposal would require that notification by electronic means issued must not be inconsistent with the notice that is required under 49 U.S.C. 30119. For any chosen electronic means of notification, where practical and where it can be included in a manner consistent with this part, the notification must include an internet hyperlink to a representative copy of a notice that complies with the content requirements of 577.5(b) through (g), along with instructions for how the owner or purchaser can determine whether his or her vehicle or equipment is impacted. In addition, where notification by electronic means is not transmitted through contact information specific to an individual owner or purchaser, manufacturers subject to the requirement in 49 CFR 573.15 to provide recall information searchable by vehicle identification number (VIN) must direct people in that notification to NHTSA's VIN search tool or the manufacturer's VIN search tool.

The agency is again proposing to retain discretion to require other electronic means and additional notifications if a manufacturer's chosen means is impractical, does not feasibly reach all affected owners or purchasers, or is otherwise deemed inappropriate.

NHTSA's supplemental proposal here also includes, unlike the NPRM, a requirement that manufacturers, before issuing an electronic notification and at least once every five years, submit to NHTSA's Recall Management Division (NEF-107) through the online Manufacturers Recall Portal a plan for the notification of owners and purchasers of recalls by electronic means. The plan must describe the means of electronic notification that the manufacturer anticipates using for its recalls, and how the manufacturer will evaluate the selection of the electronic means

used for a recall, including an explanation of any preferences for the use of certain electronic means. A manufacturer's electronic recall notifications must be consistent with its plans unless it notifies NHTSA no fewer than ten Federal Government business days before the anticipated issuance of any such notifications that would be inconsistent with its plan. An accompanying explanation for the inconsistency is also required under this proposal.

Lastly, under this supplemental proposed rule, any follow-up notification sent by electronic means must conform with the above requirements. The Administrator may authorize the use of other means besides first-class mail and electronic means for a follow-up notification.

V. Additional Revisions to 49 CFR Part 577

Below are further revisions to part 577 in this supplemental proposed rule that do not relate specifically to recall notification by electronic means and were not proposed in the NPRM.

A. Language in Recall Notifications

This supplemental proposed rule includes revisions to the language required on the outside of each envelope containing an owner notification letter under 49 CFR 577.5(a), and at the top of the owner notification letter under 49 CFR 577.5(b). Currently, the former provision requires the language "SAFETY RECALL NOTICE" on the outside of each envelope, and the latter requires the language "IMPORTANT SAFETY RECALL" at the top of the notification. Effective recall messaging includes, among other things, conveying a sense of urgency.³⁰ For example, in a survey done by the Independent Monitor of Takata of 262 drivers of vehicles affected by the Takata air bag recalls, "results illustrated that communications using high impact words and phrases motivate affected vehicle owners to act," with respondents stating that outreach should describe the recalls as, among other things, "urgent."³¹

NHTSA is proposing to change both statements above to "URGENT SAFETY

³⁰ See generally *Tips for Increasing Recall Completion Rates*, NHTSA, <https://www.nhtsa.gov/vehicle-manufacturers/tips-increasing-recall-completion-rates> (last visited Nov., 2024).

³¹ The Independent Monitor of Takata, *Update on the State of the Takata Airbag Recalls* (Dec. 21, 2018), at 16, available at https://www.nhtsa.gov/sites/nhtsa.gov/files/documents/2018-update_on_the_state_of_the_takata_airbag_recalls.pdf.

RECALL.” The agency believes that this proposed change will improve the impact that recall notifications have on owners and further motivate them to obtain a remedy. While NHTSA recognizes that for certain recalls a remedy is not immediately available, all recalls involve either a defect that poses an “unreasonable risk” or a noncompliance with a safety standard (which was adopted based on a finding of a safety need, 49 U.S.C. § 30111(a)). NHTSA invites comment on this proposed change.

B. Updated Office and Website Designations

This supplemental proposed rule revises two outdated references to the office designation of NHTSA’s Recall Management Division in 49 CFR 577.5(a), changing “NVS-215” to “NEF-107.” In addition, the proposed rule updates the website to which manufacturers must direct owners in recall notifications, changing “<http://www.safercar.gov>” to NHTSA’s current website, “<http://www.nhtsa.gov>.”³²

C. Language Regarding FMVSS Noncompliances

49 CFR 577.5 contains two references—in (a) and (c)(2)—to circumstances where it is determined that a motor vehicle or item of replacement equipment does not conform with a Federal motor vehicle safety standard (FMVSS). Specifically, this language refers to a “failure to conform” and products that “fail to conform.” NHTSA is proposing to change this language to instead read “does not comply with,” which is in greater alignment with the statutory language and ordinary usage in this context.

VI. Regulatory Analyses and Notices

A. Executive Orders 12866, 13563, 14094, and DOT Regulatory Policies and Procedures

This rulemaking document was not reviewed under Executive Order 12866, Executive Order 13563, or Executive Order 14094. NHTSA has considered the impact of this rulemaking action under the Department of Transportation’s regulatory policies and procedures. This action

would amend 49 CFR part 577 to update the procedures by which manufacturers notify owners and purchasers of defects and noncompliances in an effort to improve vehicle safety recall completion. This rulemaking imposes no new significant burdens on the manufacturers and does not create significant related costs that would require the development of a full cost/benefit evaluation. Since this action also does not change the number of entities or individuals subject to this requirement, the impacts of the rule are limited.

B. Regulatory Flexibility Act

NHTSA has also considered the impact of this notice under the Regulatory Flexibility Act. I certify that this rule is not expected to have a significant economic impact on a substantial number of small entities. The amendments almost entirely affect manufacturers of motor vehicles and motor vehicle equipment.

SBA uses size standards based on the North American Industry Classification System (“NAICS”), Subsector 336—Transportation Equipment Manufacturing, which provides a small business size standard of 1,500 employees or fewer for automobile and light duty motor vehicle manufacturing businesses. Other motor vehicle-related industries have lower size requirements that range between 1,000 and 1,500 employees.³³ Small businesses are subject to the notification requirements and therefore may be affected by the proposed changes in this final rule. However, the impacts of this rulemaking on small businesses are minimal, as this supplemental proposed rule does not impose a significant additional burden or additional costs.

C. Executive Order 13132 (Federalism)

NHTSA has examined today’s rule pursuant to Executive Order 13132 (64 FR 43255, Aug. 10, 1999) and concluded that no additional consultation with States, local governments, or their representative is mandated beyond the rulemaking process. The agency has determined that the rulemaking would not have sufficient federalism implications to warrant consultation with

³³ See U.S. Small Business Administration, Table of size standards, <https://www.sba.gov/document/support-table-size-standards>.

State and local officials or the preparation of a federalism summary impact statement. The rule would apply to manufacturers of motor vehicles and motor vehicle equipment and would not have a substantial direct effect on States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Thus, Executive Order 13132 is not implicated and consultation with State and local officials is not required.

D. National Environmental Policy Act

NHTSA has analyzed this rule for the purposes of the National Environmental Policy Act. NHTSA is aware of the November 12, 2024 decision in *Marin Audubon Society v. Federal Aviation Administration*, No. 23-1067 (D.C. Cir. Nov. 12, 2024). To the extent that a court may conclude that the Council on Environmental Quality (CEQ) regulations implementing NEPA are not judicially enforceable or binding on this agency action, NHTSA has nonetheless elected to follow those regulations at 40 CFR parts 1500–1508, in addition to DOT’s procedures/regulations implementing NEPA at DOT NEPA Order 5610.1C, to meet the agency’s obligations under NEPA, 42 U.S.C. 4321 et seq.

In accordance with 49 CFR 1.81, 42 U.S.C. 4336, and DOT NEPA Order 5610.1C, NHTSA has determined that this rule is categorically excluded pursuant to 23 CFR 771.118(c)(4) (planning and administrative activities, such as promulgation of rules, that do not involve or lead directly to construction). This rule is not anticipated to result in any environmental impacts and there are no extraordinary circumstances present in connection with this rulemaking.

This supplemental notice of proposed rulemaking (SNPRM) proposes revised requirements for manufacturers to notify owners, purchasers, and dealers of defects or noncompliances in motor vehicles and motor vehicle equipment. The primary change proposed in this rulemaking, which is required by statute, requires manufacturers to distribute through electronic means certain safety recall information that they are already required to distribute in hard copy (by first class mail). The other changes proposed in this rulemaking are ministerial,

such as updating the office designation and web address for NHTSA in NHTSA's regulations. Accordingly, this rule is not expected to significantly affect the quality of the human environment.

E. Paperwork Reduction Act

Under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501, *et seq.*), Federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct, sponsor, or require through regulations. A person is not required to respond to a collection of information by a Federal agency unless the collection displays a valid Office of Management and Budget (OMB) control number. This supplemental proposed rulemaking if finalized would create new information collection requirements under defect and recall notification requirements. In compliance with the PRA, NHTSA has separately published a notice requesting comment on NHTSA's intention to request approval to reinstate a previously approved collection. For additional details, see NHTSA's most recent 60-day notice.³⁴

Agency: National Highway Traffic Safety Administration (NHTSA).

Title: 49 CFR parts 573 and 577, Defect and Noncompliance Notification.

Type of Request: Reinstatement with modification of a previously approved collection.

OMB Control Number: 2127-0004.

Form Number: The collection of this information uses no standard form.

Requested Expiration Date of Approval: Three (3) years from the date of approval.

Summary of the Collection of Information: This collection covers the information collection requirements found within various statutory provisions of the Motor Vehicle Safety Act of 1966 (Act), 49 U.S.C. Chapter 301 that address and require manufacturer notifications to NHTSA of safety-related defects and failures to comply with Federal Motor Vehicle Safety Standards (FMVSS) in motor vehicles and motor vehicle equipment, as well as the provision of

particular information related to the ensuing owner and dealer notifications and free remedy campaigns that follow those notifications. The sections of the Act imposing these requirements include 49 U.S.C. 30118, 30119, 30120, and 30166. Many of these requirements are implemented through, and addressed with more specificity in, 49 CFR part 573, *Defect and Noncompliance Responsibility and Reports* (part 573) and 49 CFR 577, *Defect and Noncompliance Notification* (part 577).

Description of the Need for the Information and Use of the Information: The information is needed for NHTSA to better serve the public by monitoring safety recalls and having consumers provided timely recall information. Owners and purchasers will benefit from the increased ease with which they can ascertain information on recalled vehicles. The public at large will benefit from a decrease in the numbers of defective or noncompliant vehicles on public roads—and the corresponding decrease in injuries and fatalities expected to result from increased recall completion.

Affected Public: Should this proposal be made final, it is expected that all manufacturers regulated by NHTSA and currently subject to defect and noncompliance reporting and notification requirements will be subject to the updated requirements.

Estimated Number of Respondents: NHTSA receives reports of defects or noncompliances from roughly 240 distinct manufacturers per year. Accordingly, NHTSA estimates that there will be a total of 240 respondents per year associated with this supplemental proposed rule.

Frequency: As circumstances necessitate.

Estimate of the Total Annual Reporting and Recordkeeping Burden Resulting from the Collection of Information: This supplemental proposed rule requiring manufacturers to notify affected owners and purchasers of recalls by electronic means in addition to first-class mail notifications will add some paperwork burden to the industry. In the NPRM, NHTSA reasoned that electronic methods of recall notification such as email, over-the-air communications, and use

of social-media accounts are existing technologies and largely free of charge. However, the agency did anticipate that each recall would require 4 burden hours for a manufacturer to plan its strategy for meeting the electronic notification requirement and executing that strategy. With an estimated 854 recalls filed each year, NHTSA estimated 3,416 burden hours (854 recalls x 4 hours) for this new requirement.

TIA commented that it believed this estimate was accurate. Alliance and Global, however, disagreed that the electronic methods of communication are “largely free of charge,” stating radio and television “can be very expensive with limited ability to evaluate effectiveness.” Alliance and Global, citing costs incurred to pay vendors to handle message preparation and distribution, also commented that “[e]ven for internet-based electronic communication such as text messaging and emails, manufacturers will incur substantial costs for acquiring contact information for customers.” Alliance and Global further noted that as contact information for direct means of electronic communication change, manufacturers will incur additional costs to keep that contact information up-to-date, and expressed concern with how NHTSA’s discretion to order additional notifications may affect its burden estimate that “assumes only one electronic notification per recall.”

Alliance and Global requested that NHTSA identify various costs and separately evaluate those costs with respect to different industry sectors (listing, in particular, light duty vehicle manufacturers, heavy vehicle manufacturers, child restraint manufacturers, tire manufacturers, and equipment manufacturers). Alliance and Global also requested that OMB require NHTSA develop a plan to evaluate whether the rule would actually result in increased participation rates “[b]ecause the true costs and benefits of this proposal are unknown.”³⁵ Alliance and Global further requested that NHTSA consider allowing recall notifications exclusively through

³⁵ Alliance and Global stated that the cost per VIN for emails and text messages ranges from \$0.01 to \$0.20 per VIN from vendors, and that individuals receiving certain notifications may also incur costs (*e.g.*, via text messaging, depending on the individual’s wireless service plan), which it commented that NHTSA should also evaluate. However, Alliance and Global acknowledged that set-up fees are not significant cost drivers.

electronic means “[i]n light of the high cost of first-class mailings.”

As an initial matter and in support of the benefits of this proposal, since the NPRM, NHTSA has engaged in several years of oversight of the recalls of Takata air bag inflators—the largest automotive recall in U.S. history. Under recommendations issued by the Independent Monitor of Takata in consultation with NHTSA, affected vehicle manufacturers have been conducting frequent outreach to affected owners using various methods of non-traditional means, including electronic means (*e.g.*, text messages and email).³⁶ Among other things, completion percentages for recalls of the oldest vehicles affected by these recalls avoided a “leveling off” in completion percentage typically observed for recall campaigns involving vehicles 10 years or older.³⁷ NHTSA has also previously pointed in other contexts to sources that tend toward advocating greater notification frequency to persuade action, and the utility of frequent outreach via multiple communications methods is supported by available information, including a report from the U.S. Government Accountability Office.³⁸

For this supplemental proposed rule, NHTSA is revising its pending burden-hours estimate to account for the proposed requirement that manufacturers submit to NHTSA an electronic recall notification plan. NHTSA anticipates each electronic recall notification plan will take 24 hours to develop and submit to the agency. With 240 distinct manufacturers filing at least one part 573 report each year, and an average of 24 hours to develop and submit each

³⁶ See The Independent Monitor of Takata and the Coordinated Remedy Program, *Coordinated Communications Recommendations* (Dec. 23, 2016), available at https://www.nhtsa.gov/sites/nhtsa.gov/files/documents/coordinated_communications_recommendations_1.pdf.

³⁷ See The Independent Monitor of Takata and the Coordinated Remedy Program, *The State of the Takata Airbag Recalls* (Nov. 15, 2017) at 66 fig.37, available at https://www.nhtsa.gov/sites/nhtsa.gov/files/documents/2017-the_state_of_the_takata_airbag_recalls.pdf.

³⁸ See U.S. Government Accountability Office, *Auto Recalls: NHTSA Should Take Steps to Further Improve the Usability of Its website* (GAO-18-127) (Dec. 4, 2017), at 10-11, 13-15 (indicating articulated safety risk is the most influential factor in owners' decision to obtain repair, and that owners have additional preference for receiving recall notification by electronic means); 82 FR 45941 (Oct. 2, 2017); GM Safety Recalls: *Innovations in Customer Outreach* (NHTSA Retooling Recalls Workshop, April 28, 2015); Auto Alliance & NADA Survey Key Findings (Nov. 2015); GM letter to NHTSA in comment to NPRM, Docket No. NHTSA-2016-0001 (Mar. 23, 2016); Susanne Schmidt & Martin Eisend, *Advertising Repetition: A Meta-Analysis on Effective Frequency in Advertising*, 44 J. Advertising 415, 425 (2015); Blair Entenmann, *Marketing Help!*, *The Principles of Targeted Direct Mail Advertising* (2007); Chuck Flantroy, *Direct Mail Works: The Power of Frequency*, Kessler Creative (Aug. 31, 2016).

electronic recall notification plan, NHTSA estimates that it will take manufacturers 1,152 hours annually to develop and submit electronic recall notification plans to NHTSA (24 hours x 240 distinct manufacturers x $\frac{1}{5}$ [one plan every five years]). For planning and executing electronic recall notification for each recall, NHTSA is reducing its previous estimate in the NPRM of 4 burden hours to 2 burden hours to account for efficiencies realized from developing electronic recall notification plans. With an estimated 976 recalls filed each year, the agency estimates 1,952 burden hours (952 recalls x 2 hours) for manufacturers to plan and execute their strategies for each recall to meet the electronic recall notification requirements. Accordingly, NHTSA estimates a total of 3,104 annual burden hours associated with this supplemental proposed rule.

Estimated Total Annual Reporting and Recording Burden Cost Resulting from the Information Collection: To calculate the labor cost associated with developing and submitting the electronic recall notification, NHTSA looked at wage estimates for the type of personnel involved with compiling and submitting the documents. NHTSA estimates the total labor costs associated with these burden hours by looking at the average wage for technical writers in the motor vehicle manufacturing industry. The Bureau of Labor Statistics (BLS) estimates that the average hourly wage for technical writers (BLS Occupation code #27-3042) in the motor vehicle manufacturing industry is \$41.64.³⁹ The Bureau of Labor Statistics estimates that private industry workers' wages represent 70.3% of total labor compensation costs.⁴⁰ Therefore, NHTSA estimates the hourly labor costs to be \$59.23 for technical writers (BLS Occupation code #27-3042) in the motor vehicle manufacturing industry. Accordingly, NHTSA estimates the total annual labor cost associated with the 3,104 total annual burden hours to be \$183,849.92 (3,104 hours x \$59.23).

NHTSA appreciates the comments that it received that address the cost of the proposed

³⁹ See May 2023 National Industry-Specific Occupational Employment and Wage Estimates, NAICS 336100 - Motor Vehicle Manufacturing, available at https://www.bls.gov/oes/2023/may/naics4_336100.htm (accessed Dec. 5, 2024).

⁴⁰ See Sept. 10, 2024 Employer Cost for Employee Compensation Summary, available at <https://www.bls.gov/bls/news-release/ecec.htm> (accessed Dec. 5, 2024).

rule and recognizes there may be additional costs associated with compliance not raised in the NPRM. At this juncture, with the various revisions and additions in this supplemental proposed rule, the agency solicits further comment on the associated costs before further addressing the comments it has already received on this issue.

Public Comments Invited: You are asked to comment on any aspects of this information collection, including (a) whether the collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; (b) whether the Department's estimate for the burden of information collection is accurate; (c) ways to enhance the quality, utility and clarity of the information to be collected; 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.

Please submit any comments, identified by the docket number in the heading of this document, by the methods described in the ADDRESSES section of this document to NHTSA and OMB. Although comments may be submitted during the entire comment period, comments received within 30 days of publication are most useful.

NHTSA recognizes that the collection of information contained in this supplemental proposed rule may be subject to revision in response to public comments.

F. National Technology Transfer and Advancement Act

Under the National Technology Transfer and Advancement Act of 1995 (Pub. L. 104-113), "all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments." This proposed rule would amend 49 CFR part 577 to update the procedures by which manufacturers notify owners and purchasers of defects and noncompliances in an effort to improve vehicle safety recall completion, and does not involve any voluntary consensus standards as it relates to NHTSA or this rulemaking.

G. Executive Order 12988 (Civil Justice Reform)

With respect to the review of the promulgation of a new regulation, section 3(b) of E.O. 12988, “Civil Justice Reform” (61 FR 4729, Feb. 7, 1996), requires that Executive agencies make every reasonable effort to ensure that the regulation: (1) clearly specifies the preemptive effect; (2) clearly specifies the effect on existing Federal law or regulation including all provisions repealed, circumscribed, displaced, impaired, or modified; (3) provides a clear legal standard for affected conduct rather than a general standard, while promoting simplification and burden reduction; (4) clearly specifies the retroactive effect, if any; (5) specifies whether administrative proceedings are to be required before parties may file suit in court; (6) adequately defines key terms; and (7) addresses other important issues affecting clarity and general draftsmanship under any guidelines issued by the Attorney General. This document is consistent with that requirement.

Pursuant to this Order, NHTSA has considered these issues and determined that this rule does not have any retroactive or preemptive effect. The rule only applies to procedures by which manufacturers notify owners and purchasers of defects and noncompliances, with amendments as to how that is done prospectively. NHTSA notes further that there is no requirement associated with this rule that individuals submit a petition for reconsideration or pursue other administrative proceeding before they may file suit in court.

H. Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995, Public Law 104-4, requires agencies to prepare a written assessment of the cost, benefits, and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local, or Tribal governments, in the aggregate, or by the private sector, of more than \$100 million annually. Because this rulemaking would not have a \$100 million effect, no Unfunded Mandates assessment will be prepared.

I. Executive Order 13211

E.O. 13211 (66 FR 28355, May 18, 2001) applies to any rulemaking that: (1) is determined to be economically significant as defined under E.O. 12866, and is likely to have a significantly adverse effect on the supply of, distribution of, or use of energy; or (2) that is designated by the Administrator of the Office of Information and Regulatory Affairs as a significant energy action. This rulemaking is not subject to E.O. 13211.

J. Regulatory Identifier Number (RIN)

The Department of Transportation assigns a regulation identifier number (RIN) to each regulatory action listed in the Unified Agenda of Federal Regulations. The Regulatory Information Service Center publishes the Unified Agenda in the spring and fall of each year. You may use the RIN contained in the heading at the beginning of this document to find this action in the Unified Agenda.

K. Privacy Act

Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the Federal Register published on April 11, 2000 (65 FR 19477–78).

L. Plain Language

Executive Order 12866 requires each agency to write all rules in plain language. Application of the principles of plain language includes consideration of the following questions:

- Have we organized the material to suit the public's needs?
- Are the requirements in the rule clearly stated?
- Does the rule contain technical language or jargon that isn't clear?
- Would a different format (grouping and order of sections, use of headings, paragraph) make the rule easier to understand?
- Would more (but shorter) sections be better?

- Could we improve clarity by adding tables, lists, or diagrams?
- What else could we do to make the rule easier to understand?

If you have any responses to these questions, please write to us with your views.

List of Subjects in 49 CFR Part 577

Administrative practice and procedure, Motor vehicles, Motor vehicle safety, Reporting and recordkeeping requirements.

Proposed Regulatory Text

For the reasons set forth above, NHTSA proposes to amend 49 CFR part 577 as follows:

PART 577—DEFECT AND NONCOMPLIANCE NOTIFICATION

1. The authority citation for part 577 continues to read as follows:

Authority: 49 U.S.C. 30102, 30103, 30116–121, 30166; delegation of authority at 49 CFR 1.95 and 49 CFR 501.8.

2. Amend § 577.5 by:

- a. revising the first, fifth, sixth, and eighth sentences of paragraph (a),;
- b. revising the first sentence of paragraph (b);
- c. revising paragraph (c)(2); and
- d. revising paragraph (g)(1)(vii).

The revisions read as follows:

§ 577.5 Notification pursuant to a manufacturer's decision.

(a) When a manufacturer of motor vehicles or replacement equipment determines that any motor vehicle or item of equipment produced by the manufacturer contains a defect that relates to motor vehicle safety, or does not comply with an applicable Federal motor vehicle safety standard, or the manufacturer files a defect or noncompliance information report under 49 CFR part 573, the manufacturer shall provide notification in accordance with § 577.7(a), unless the manufacturer is exempted by the Administrator (pursuant to 49 U.S.C. 30118(d) or 30120(h)) from giving such notification. * * * Except as authorized by the Administrator, the manufacturer

shall submit a copy of its proposed owner notification letter and, for recalls filed **[DATE ONE YEAR AFTER PUBLICATION OF THE FINAL RULE IN THE FEDERAL REGISTER]** or later, notification by electronic means, including any provisions or attachments related to reimbursement, to NHTSA's Recall Management Division (NEF-107) through the online Manufacturers Recall Portal no fewer than five (5) Federal Government business days before it intends to begin sending the notifications to owners. The manufacturer shall mark the outside of each envelope in which it sends an owner notification letter with a notation that includes the phrase "URGENT SAFETY RECALL," all in capital letters and in a type that is larger than that used in the address section, and is also distinguishable from the other type in a manner other than size. * * * Except where the format of the envelope has been previously approved by NHTSA's Recall Management Division (NEF-107), each manufacturer must submit the envelope format it intends to use to that division through the online Manufacturers Recall Portal at least five (5) Federal Government business days before mailing the notification to owners. * * *

(b) At the top of the notification, there must be the statement "URGENT SAFETY RECALL," in all capital letters and in a type size that is larger than that used in the remainder of the letter. * * *

(c) * * *

(2) "(Manufacturer's name or division) has decided that (identified motor vehicles, in the case of notification sent by a motor vehicle manufacturer; identified equipment, in the case of notification sent by a replacement equipment manufacturer) does not comply with Federal Motor Vehicle Safety Standard No. (number and title of standard)."

* * * * *

(g) * * *

(1) * * *

(vii) A statement informing the owner that he or she may submit a complaint to the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Ave., SE.,

Washington, DC 20590; or call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153); or go to <http://www.nhtsa.gov>, if the owner believes that:

* * * * *

3. Amend § 577.7 by revising paragraphs (a)(2)(i) through (iv) and by adding paragraph (e) to read as follows:

§ 577.7 Time and manner of notification.

(a) * * *

(2) * * *

(i) In the case of a notification required to be sent by a motor vehicle manufacturer, by first-class mail and by electronic means, to each person who is registered under State law as the owner of the vehicle and whose name, address, and contact information for notification by electronic means are reasonably ascertainable by the manufacturer through State records or other sources available to it. If, in the case of notification by electronic means, the owner cannot be reasonably ascertained, the manufacturer shall notify the most recent purchaser known to the manufacturer. For first-class mail and electronic notifications, the manufacturer shall also provide notification to each lessee of a leased motor vehicle that is covered by an agreement between the manufacturer and a lessor under which the manufacturer is to notify lessees directly of safety-related defects and noncompliances.

(ii) In the case of a notification required to be sent by a replacement equipment manufacturer—

(A) By first-class mail and by electronic means to the most recent purchaser known to the manufacturer, and

(B) (Except in the case of a tire) if decided by the Administrator to be required for motor vehicle safety, by public notice in such manner as the Administrator may require after consultation with the manufacturer.

(iii) In the case of a manufacturer required to provide notification concerning any

defective or noncomplying tire, by first-class or certified mail and by electronic means.

(iv) In the case of a notification to be sent by a lessor to a lessee of a leased motor vehicle, by first-class mail and by electronic means to the most recent lessee known to the lessor. Such notification shall be sent within ten days of the lessor's receipt of the notification from the vehicle manufacturer.

* * * * *

(e) Notification by electronic means as required by paragraph (a)(2) of this section and as described in this paragraph (e) applies to recalls filed **[DATE ONE YEAR AFTER PUBLICATION OF THE FINAL RULE IN THE FEDERAL REGISTER]** or later, and includes notification by any of the following: electronic mail, text message, radio or television notification, in-vehicle notification, social media or targeted online campaign, telephone call (automated or otherwise), or other similar electronic means.

(1) *Requirements of notification by electronic means.* (i) All reasonable efforts shall be made to transmit notification by electronic means through contact information specific to each individual owner, purchaser, and lessee. Where any owner, purchaser, or lessee cannot be notified in this manner, additional notification by other electronic means shall be issued that is reasonably calculated to reach such owners, purchasers, and lessees.

(ii) Notification by electronic means must not be inconsistent with the notice required under 49 U.S.C. 30119. For any chosen electronic means of notification, where it is practical and can be included in a manner consistent with this part, the notification must include an internet hyperlink to a notice that complies with the content requirements of § 577.5(b) through (g), or provide an internet hyperlink to a representative copy of a notice that complies with the content requirements of § 577.5(b) through (g) along with instructions for how the owner, purchaser, or lessee can determine whether his or her vehicle or equipment is impacted.

(iii) In the case of a notification by electronic means that is not transmitted through contact information specific to an individual owner, purchaser, or lessee, manufacturers who are

subject to the requirements in § 573.15 to provide recall information searchable by vehicle identification number (VIN) must direct people in that notification to NHTSA's VIN search tool or the manufacturer's VIN search tool.

(2) *Administrator discretion.* The Administrator retains the discretion to require other electronic means and additional notifications if a manufacturer's chosen means is impractical, does not feasibly reach all affected owners, purchasers, or lessees, or is otherwise deemed inappropriate.

(3) *Electronic recall notification plans.* (i) At least once every five (5) years manufacturers shall submit to NHTSA's Recall Management Division (NEF-107), through the online Manufacturers Recall Portal, a plan for the notification of owners, purchasers, and lessees of recalls by electronic means. This plan must describe the means of electronic notification that the manufacturer anticipates utilizing for its recalls and how the manufacturer will evaluate the selection of the electronic means utilized for a recall, including an explanation of any preferences for the use of certain electronic means.

(ii) A manufacturer's electronic recall notifications issued under this section must be consistent with its electronic recall notification plan unless the manufacturer notifies NHTSA no fewer than ten (10) Federal Government business days before the anticipated issuance of any notification by electronic means that would be inconsistent with its electronic recall notification plan, with an accompanying explanation for the inconsistency.

4. Amend § 577.10 by revising paragraph (g) to read as follows:

§ 577.10 Follow-up notification.

* * * * *

(g) A follow-up notification sent by first-class mail or by electronic means shall be sent in conformance with the requirements of § 577.7 of this part. Notwithstanding any other provision of this part, the Administrator may authorize the use of other means besides first-class mail and electronic means for a follow-up notification.

Issued in Washington, D.C. under authority delegated pursuant to 49 CFR 1.95 and 501.8.

Eileen Sullivan,
Associate Administrator for Enforcement.

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