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DEPARTMENT OF TRANSPORTATION

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

[U.S. DOT Docket Number NHTSA-2016-0065}

Reports, Forms, and Record keeping Requirements

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

ACTION: Request for comment on the renewal of collection of information.

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

This document describes a collection of information for which NHTSA intends to seek OMB approval.

DATES: Comments must be received on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments using any of the following methods. All comments must have the applicable DOT docket number (i.e., NHTSA-2016-0065) noted conspicuously on them.

- Federal eRulemaking Portal: Go to <http://www.regulations.gov>. 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 Ground Floor, Room W12-140, Washington, DC 20590-0001.
- Hand Delivery or Courier: 1200 New Jersey Avenue SE, West Building Ground Floor, Room W12-140, Washington, DC 20590-0001, between 9 a.m. and 5 p.m. ET, Monday through Friday, except Federal holidays. Telephone: 1-800-647-5527.
- Fax: 202-493-2251

Instructions: All submissions must include the agency name and docket number for this proposed collection of information. 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 heading below.

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) or you may visit <http://DocketInfo.dot.gov>.

Docket: For access to comments received, go to <http://www.regulations.gov> or the street address listed above. Follow the online instructions for accessing the dockets.

FOR FURTHER INFORMATION CONTACT: For further information, or for background documents, contact Stephen Hench, Office of Chief Counsel (NCC-0100), Room W41-229, NHTSA, 1200 New Jersey Avenue SE, Washington, DC 20590. Telephone: 202-366-2992.

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995, before

an agency submits a proposed collection of information to OMB for approval, it must first publish a document in the Federal Register providing a 60-day comment period and otherwise consult with members of the public and affected agencies concerning each proposed collection of information. The OMB has promulgated regulations describing what must be included in such a document. Under OMB's regulation, see 5 CFR 1320.8(d), an agency must ask for public comment on the following:

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

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

Title: Defect and Noncompliance Reporting and Notification

Type of Request: Renewal of a currently approved information collection

OMB Control Number: 2127-0004

Affected Public: Businesses or individuals

Abstract: This notice requests comment on NHTSA's proposed renewal to approved

collection of information OMB No. 2127-0004. This collection covers the information collection requirements found within various statutory sections in the Motor Vehicle Safety Act of 1966 (Act), 49 U.S.C. 30101, *et seq.*, 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 dealers 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).

Pursuant to the Act, motor vehicle and motor vehicle equipment manufacturers are obligated to notify, and then provide various information and documents to, NHTSA in the event a safety defect or noncompliance with Federal Motor Vehicle Safety Standards (FMVSS) is identified in products they manufactured. *See* 49 U.S.C. 30118(b) and 49 CFR 573.6. Manufacturers are further required to notify owners, purchasers, dealers, and distributors about the safety defect or noncompliance. *See* 49 U.S.C. 30118(b), 30120(a); 49 CFR 577.7, 577.13. Manufacturers are required to provide to NHTSA copies of communications pertaining to recall campaigns that they issue to owners, purchasers, dealers, and distributors. *See* 49 U.S.C. 30166(f); 49 CFR 573.6(c)(10).

Manufacturers are also required to file with NHTSA a plan explaining how they intend to

reimburse owners and purchasers who paid to have their products remedied before being notified of the safety defect or noncompliance, and explain that plan in the notifications they issue to owners and purchasers about the safety defect or noncompliance. *See* 49 U.S.C. 30120(d) and 49 CFR 573.13. Manufacturers are further required to keep lists of the respective owners, purchasers, dealers, distributors, lessors, and lessees of the products determined to be defective or noncompliant and involved in a recall campaign, and are required to provide NHTSA with a minimum of six quarterly reports reporting on the progress of their recall campaigns. *See* 49 CFR 573.8 and 573.7, respectively.

In addition, in an enforcement action, certain manufacturers may be required by administrative order to conduct supplemental recall communications utilizing non-traditional means (e.g., text messaging, social media) crucial to achieving completion of a unique, large-scale recall. Presently, NHTSA is overseeing recalls of unprecedented complexity involving Takata air bag inflators, where it has required such supplemental owner communications.¹ NHTSA specifically seeks comment on its estimates of the supplemental recall communications associated with the Takata recalls.

The Act and Part 573 also contain numerous information collection requirements specific to tire recall and remedy campaigns. These requirements relate to the proper disposal of recalled tires, including a requirement that the manufacturer conducting the tire recall submit a plan and provide specific instructions to certain persons (such as dealers and distributors) addressing that disposal, and a requirement that those persons report back to the manufacturer certain deviations

¹ See “Notice of Coordinated Remedy Program Proceeding for the Replacement of Certain Takata Air Bag Inflator,” available at <https://www.regulations.gov/docket?D=NHTSA-2015-0055>.

from the plan. *See* 49 U.S.C. 30120(d) and 49 CFR 573.6(c)(9). The regulations also require that manufacturers report to NHTSA intentional and knowing sales or leases of defective or noncompliant tires.

49 U.S.C. 30166(n) and its implementing regulation found at 49 CFR 573.10 mandate that anyone who knowingly and willfully sells or leases for use on a motor vehicle a defective tire or a tire that is not compliant with FMVSS, and with actual knowledge that the tire manufacturer has notified its dealers of the defect or noncompliance as required under the Act, is required to report that sale or lease to NHTSA no more than five working days after the person to whom the tire was sold or leased takes possession of it.

Estimated Burden: The existing information collection associated with 49 CFR Part 573 and portions of 49 CFR Part 577 currently has an estimated annual burden of 36,070 hours associated with an estimated 275 respondents per year.² Our prior estimates of the burden hours and cost associated with the requirements currently covered by this information collection require adjustment as follows.

Based on current information, we estimate 274 distinct manufacturers filing an average of 963 Part 573 Safety Recall Reports each year. This is a change from our previous estimate of 854 Part 573 Safety Recall Reports filed by 275 manufacturers each year. In addition, with reference to the metric associated with NHTSA's VIN Look-up Tool regulation, see 49 CFR 573.15, we continue to estimate it takes the 17 major passenger-vehicle manufacturers (that produce more than 25,000 vehicles annually) more burden hours to complete these Reports to

² See 81 FR 70269 (October 11, 2016).

NHTSA. *See* 81 FR 70270 (October 11, 2016). Between 2014 and 2016, the major passenger-vehicle manufacturers conducted an average of 299 recalls annually.

We continue to estimate that maintenance of the required owner, purchaser, dealer, and distributors lists requires 8 hours a year per manufacturer. We also continue estimate it takes a major passenger-vehicle manufacturer 20 hours to complete each notification report to NHTSA, and it takes all other manufacturers 4 hours. Accordingly, we estimate the annual burden hours related to the reporting to NHTSA of a safety defect or noncompliance for the 17 major passenger vehicle-manufacturers to be 5,980 hours annually (299 notices x 20 hours/report), and that all other manufacturers require a total of 2,656 hours annually (664 notices x 4 hours/report) to file their notices. Accordingly, the estimated annual burden hours related to the reporting to NHTSA of a safety defect or noncompliance is 10,828 hours (5,980 hours + 2,656 hours) + (274 MFRs x 8 hours to maintain purchaser lists).³

We continue to estimate that an additional 40 hours will be needed to account for major passenger-vehicle manufacturers adding details to Part 573 Safety Recall Reports relating to the intended schedule for notifying its dealers and distributors, and tailoring its notifications to dealers and distributors in accordance with the requirements of 49 CFR 577.13. An additional 2 hours will be needed to account for this obligation in other manufacturers' Safety Recall Reports. This burden is estimated at 13,288 hours annually (664 notices x 2 hours/notification) + (299 notices x 40 hours/notification).

³ For more information about how we derived these and certain other estimates please see 81 FR 70269 (October 11, 2016).

49 USC 30166(f) requires manufacturers to provide to the Agency copies of all communications regarding defects and noncompliances sent to owners, purchasers, and dealerships. Manufacturers must index these communications by the year, make, and model of the vehicle as well as provide a concise summary of the subject of the communication. We continue to estimate this burden requires 30 minutes for each vehicle recall. This totals an estimated 482 hours annually (963 recalls x .5 hours).

In the event a manufacturer supplied the defective or noncompliant product to independent dealers through independent distributors, that manufacturer is required to include in its notifications to those distributors an instruction that the distributors are to then provide copies of the manufacturer's notification of the defect or noncompliance to all known distributors or retail outlets further down the distribution chain within five working days. *See* 49 CFR 577.7(c)(2)(iv). As a practical matter, this requirement would only apply to equipment manufacturers since vehicle manufacturers generally sell and lease vehicles through a dealer network, and not through independent distributors. We believe our previous estimate of 95 equipment recalls per year needs to be adjusted to 87 equipment recalls per year to better reflect recent data. Although distributors are not required to follow that instruction, we expect that they will, and have estimated the burden associated with these notifications (identifying retail outlets, making copies of the manufacturer's notice, and mailing) to be 5 hours per recall campaign. Assuming an average of 3 distributors per equipment item, (which is a liberal estimate given that many equipment manufacturers do not use independent distributors) the total number of burden

hours associated with this third-party notification burden is approximately 1,305 hours per year (87 recalls x 3 distributors x 5 hours).

As for the burden linked with a manufacturer's preparation of and notification concerning its reimbursement for pre-notification remedies, we continue to estimate that the preparation of a reimbursement plan takes approximately 4 hours annually, an additional .5 hours per year is spent tailoring the plan to particular defect and noncompliance notifications to NHTSA and adding tailored language about the plan to a particular safety recall's owner notification letters, and an additional 12 hours annually is spent disseminating plan information, for a total 4,866 annual burden hours ((274 MFRs x 4 hours to prepare plan) + (963 recalls x .5 hours tailoring plan for each recall) + (274 MFRs x 12 hours to disseminate plan information)). For more information about how we calculated these estimates please see the Federal Register Notices 81 FR 70269 (October 11, 2016).

The Safety Act and 49 CFR Part 573 also contain numerous information collection requirements specific to tire recall and remedy campaigns, as well as a statutory and regulatory reporting requirement that anyone who knowingly and intentionally sells or leases a defective or noncompliant tire notify NHTSA of that activity.

Manufacturers are required to include specific information related to tire disposal in the notifications they provide NHTSA concerning identification of a safety defect or noncompliance with FMVSS in their tires, as well as in the notifications they issue to their dealers or other tire outlets participating in the recall campaign. *See* 49 CFR 573.6(c)(9). We continue to estimate that the agency administers 12 tire recalls each year, on average. We continue to estimate that

the inclusion of this additional information will require an additional two hours of effort beyond the subtotal above associated with non-tire recall campaigns. This additional effort consists of one hour for the NHTSA notification and one hour for the dealer notification for a total of 24 burden hours (12 tire recalls a year x 2 hours per recall).

Manufacturer-owned or controlled dealers are required to notify the manufacturer and provide certain information should they deviate from the manufacturer's disposal plan. Consistent with our previous analysis, we continue to ascribe zero burden hours to this requirement since to date no such reports have been provided and our original expectation that dealers would comply with manufacturers' plans has proven true.

Accordingly, we continue to estimate 24 burden hours a year will be spent complying with the tire recall campaign requirements found in 49 CFR 573.6(c)(9).

The agency recently received one report under 49 U.S.C. 30166(n) and its implementing regulation at 49 CFR 573.10 of a defective or noncompliant tire being intentionally sold or leased, so our previous estimate of zero burden hours for this regulatory requirement is being revised. The agency estimates 1 burden hour annually will be spent preparing and submitting such reports.

We continue to believe nine vehicle manufacturers, who did not operate VIN-based recalls lookup systems prior to August 2013, incur certain recurring burdens on an annual basis. We continue to estimate that 100 burden hours will be spent on system and database administrator support. These 100 burden hours include: backup data management and monitoring; database management, updates, and log management; and data transfer, archiving,

quality assurance, and cleanup procedures. We continue to estimate another 100 burden hours will be incurred on web/application developer support. These burdens include: operating system and security patch management; application/web server management; and application server system and log files management. We continue to estimate these burdens will total 1,800 hours each year (9 MFRs x 200 hours). We continue to estimate the recurring costs of these burden hours will be \$30,000 per manufacturer.⁴ We continue to estimate that the total cost to the industry from these recurring expenses will total \$270,000, on an annual basis (9 MFRs x \$30,000).

Changes to 49 CFR Part 573 in 2013 required 27 manufacturers to update each recalled vehicle's repair status no less than every 7 days, for 15 years from the date the VIN is known to be included in the recall. This ongoing requirement to update the status of a VIN for 15 years continues to add a recurring burden on top of the one-time burden to implement and operate these online search tools. We continue to estimate that 8 affected motorcycle manufacturers will make recalled VINs available for an average of 2 recalls each year and 19 affected passenger-vehicle manufacturers will make recalled VINs available for an average of 8 recalls each year. We believe it will take no more than 1 hour, and potentially much less with automated systems, to update the VIN status of vehicles that have been remedied under the manufacturer's remedy program. We continue to estimate this will require 8,736 burden hours per year (1 hour x 2 recalls x 52 weeks x 8 MFRs + 1 hour x 8 recalls x 52 weeks x 19 MFRs) to support the

⁴ \$8,000 (for data center hosting for the physical server) + \$12,000 (for system and database administrator support) + \$10,000 (for web/application developer support) = \$30,000.

requirement to update the recalls completion status of each VIN in a recall at least weekly for 15 years.

As the number of Part 573 Recall Reports has increased in recent years, so has the number of quarterly reports that track the completion of safety recalls. Our previous estimate of 3,800 quarterly reports received annually is now revised upwards to 4,498 quarter reports received annually. We continue to estimate it takes manufacturers 10 minutes to gather the pertinent information for each quarterly report, and 4 additional hours for the 17 major passenger-vehicle manufacturers. We therefore now estimate that the quarterly reporting burden pursuant to Part 573 totals 818 hours ((4,498 quarterly reports x 10 minutes/report) + (17 MFRs x 4 hours for electronic submission)).

We continue to estimate a small burden of 2 hours annually in order to set up a manufacturer's online recalls portal account with the pertinent contact information and maintaining/updating their account information as needed. We estimate this will require a total of 548 hours annually (2 hours x 274 MFRs).

We continue to estimate that 20 percent of Part 573 reports will involve a change or addition regarding recall components, and that at one hour per amended report, this totals 193 burden hours per year (963 recalls x .20 = 193 recalls; 193 x 1 = 193 hours).

As to the requirement that manufacturers notify NHTSA in the event of a bankruptcy, we expect this notification to take an estimated 2 hours to draft and submit to NHTSA. We continue to estimate that only 10 manufacturers might submit such a notice to NHTSA each year, so we calculate the total burden at 20 hours (10 MFRs x 2 hours).

We continue to estimate that it takes manufacturers an average of 8 hours to draft their notification letters, submit them to NHTSA for review, and then finalize them for mailing to their affected owners and purchasers. We estimate that the 49 CFR Part 577 requirements result in 7,704 burden hours annually (8 hours per recall x 963 recalls per year).

The burden estimate associated with the regulation that requires interim owner notifications within 60 days of filing a Part 573 Safety Recall Report must be revised upward. We previously calculated that about 10 percent of past recalls require an interim notification mailing, but recent trends show that 12 percent of recalls require an interim owner notification mailing. We continue to estimate the preparation of an interim notification can take up to 10 hours. We therefore estimate that 1160 burden hours are associated with the 60-day interim notification requirement (963 recalls x .12 = 116 recalls; 116 recalls times 10 hours per recall = 1160 hours).

As for costs associated with notifying owners and purchasers of recalls, we continue to estimate a cost of \$1.50 per first class mail notification, on average. This cost estimate includes the costs of printing, mailing, as well as the costs vehicle manufacturers may pay to third-party vendors to acquire the names and addresses of the current registered owners from state and territory departments of motor vehicles. In reviewing recent recall figures, we determined that an estimated 75.8 million letters are mailed yearly totaling \$113,700,000 (\$1.50 per letter x 75,800,000 letters). The requirement in 49 CFR Part 577 for a manufacturer to notify their affected customers within 60 days would add an additional \$13,644,000 (75,800,000 letters x .12 requiring interim owner notifications = 9,096,000 letters; 9,096,000 x \$1.50 = \$13,644,000). In

total, we estimate that the current 49 CFR Part 577 requirements cost manufacturers a total of \$127,344,000 annually (\$113,700,000 for owner notification letters + \$13,644,000 for interim notification letters = \$127,344,000).

NHTSA further has authority to require that, in an enforcement action, vehicle manufacturers conduct supplemental recall communications, potentially utilizing non-traditional means (e.g., text messaging, social media). This is currently occurring in the Takata recalls, which involve 19 vehicle manufacturers and over 46 million defective inflators currently under recall in approximately 34 million vehicles that need to be recalled as quickly as possible, given that thirteen people in the United States have lost their lives to a rupturing Takata inflator, and more than two hundred people have reported associated injuries, many of which were disfiguring or life-threatening. The scope of the Takata recall has been unprecedented in the agency's history. Therefore, the below analysis only takes into account the expected paperwork burden of this collection over the next three years, without making any assumptions about the likelihood of another large-scale recall that leads to similar types of supplementary notices. However, the agency believes the lessons learned from the Takata recall will provide a useful guidepost in structuring any similar future action.

To address the scope and complexity of the Takata recall, NHTSA issued a Coordinated Remedy Order, as amended on December 9, 2016 (the "ACRO"), which requires affected vehicle manufacturers to conduct supplemental owner notification efforts in coordination with NHTSA and the Independent Monitor of Takata. On December 23, 2016, the Monitor, in consultation with NHTSA, issued Coordinated Communications Recommendations for vehicle

owner outreach (“CCRs”), which includes a recommendation that vehicle manufacturers provide at least one form of consumer outreach per month for vehicles in a launched recall campaign (i.e., a recall where parts are available) until the vehicle is remedied (unless otherwise accounted for as scrapped, stolen, exported, or otherwise unreachable under certain procedures in the ACRO). *See* CCRs ¶ 1(b); ACRO ¶¶ 45–46. The Monitor also recommended that manufacturers utilize at least three non-traditional means of communication (postcards; email; telephone calls; text message; social media) as part of their overall outreach strategy. *See* CCRs ¶ 1(a). And the Monitor recommended including in these communications certain content, including certain safety-risk information. *See id.* ¶ 2. If a vehicle manufacturer does not wish to follow the Monitor’s recommendations, the ACRO permits the manufacturer to propose an alternative communication strategy to NHTSA and the Monitor.

The Monitor’s recommendations were adopted in significant part because research supports that frequent notifications using non-traditional means result in improved remedy completion.⁵ The agency invites any additional feedback on the effectiveness of such outreach in future enforcement actions, as well as the paperwork burden associated with conducting that outreach.

⁵ See, e.g., GM Safety Recalls: *Innovations in Customer Outreach* (NHTSA Retooling Recalls Workshop, April 28, 2015) (recognizing efficacy of various methods of owner engagement, and citing customer recognition of GM’s “persistence” through multiple postcards and letters “seal[ing] the deal” for customer to seek timely recall remedy); Auto Alliance & NADA Survey Key Findings (November 2015), at 16 (observing dealers “[t]ry multiple attempts and methods [phone, email, mail] to contact customer” when trying to increase recall repair rates).

To date, vehicle manufacturers and others have agreed that greater notification frequency is preferred over less.⁶ However, the agency is aware of generalized concerns about “notification fatigue” and invites comment on this phenomenon, including the optimal frequency, content, mode, and method of recall/defects notifications from manufacturers to consumers. The agency is also particularly interested any research or data that relates to a recall with potential consequences of death or severe injury, as in the case of the Takata recalls. NHTSA also seeks comment on the content and language to include in these notifications, including relevant safety-risk information, to increase the likelihood that consumers remedy the issue as soon as possible.

NHTSA estimates a yearly average of 19 manufacturers will be issuing monthly supplemental communications over the next three years pursuant to the ACRO and the CCRs. Manufacturers may satisfy the CCRs through third-party vendors (which have been utilized by

⁶ See, e.g., GM Safety Recalls, *supra*; Auto Alliance & NADA Survey Key Findings, *supra*; GM letter to NHTSA in comment to ANPRM, Docket No. NHTSA-2016-0001 (March 23, 2016), at 2 (“The best approach is to leverage multiple communication channels and, where possible, capture and use the customer’s preferred method of communication. In those cases where consumers perceive non-repair to be low-risk, a “saturation” approach is sometimes effective. This approach increases the frequency of contact and alternates the means of communication.”); see also Susanne Schmidt & Martin Eisend, *Advertising Repetition: A Meta-Analysis on Effective Frequency in Advertising*, 44 J. ADVERTISING 415, 425 (2015) (observing findings “clearly support the repetitionists’ view in the literature over the minimalists’ view: few exposures are not enough to achieve maximum response, but repetition is essential for consumer response”); *id.* at 426 (observing further that “many exposures in real-world settings are not completed (i.e. the consumer does not read/watch/listen to an ad message in its entirety), and higher exposure rates are necessary to reach optimum response”—accordingly, the study’s figures even “might understate the optimum exposure level needed in a real-world setting”); Blair Entenmann, MARKETING HELP!, *The Principles of Targeted Direct Mail Advertising* (2007) (“Timing may be a critical success factor—today they aren’t interested, but next month they might be. Repetition will generate a better response.”); Chuck Flantroy, *Direct Mail Works: The Power of Frequency*, KESSLER CREATIVE (August 31, 2016), available at <http://www.kesslercreative.com/marketing-tips-tricks/direct-mail-works-the-power-of-frequency/> (observing that “[a] huge factor to take into account is the timing of . . . mailing(s). Even if your first mailing falls on deaf ears, your second or third may come at just the perfect time when a recipient of your campaign is in need of your products or services”).

many manufacturers), in-house strategies, or some combination thereof. NHTSA estimates the cost for supplemental communications at \$0.44 per VIN per month.

The volume of outreach required by the ACRO and the CCRs (and the costs associated with that outreach) is a function of the number of unrepainted vehicles that are in a launched campaign and are not otherwise accounted for as scrapped, stolen, exported, or otherwise unreachable. The schedule in Paragraph 35 of the ACRO delineates the expected remedy completion rate, by quarter, of vehicles in a launched remedy campaign.

Utilizing these variables, we estimate an initial annualized cost over the next three years of \$43,557,722 per year. However, NHTSA anticipates that recent settlement agreements in the Southern District of Florida multi-district litigation (MDL) governing economic-loss actions against five manufacturer defendants will discount this figure based on outreach efforts those defendants (Toyota, Subaru, Nissan, BMW, Mazda, and Honda) are required to conduct pursuant to their respective settlements. *See generally In re: Takata Airbag Products Liab. Litig.*, 14-cv-24009, MDL No. 2599 (S.D. Fla.). These outreach programs are to utilize non-traditional methods of outreach, including telephone, email, social media, and text messaging, and NHTSA anticipates they will produce outreach that would satisfy the minimum requirements of the CCRs. In calculating the estimated burden the relevant manufacturers would have incurred under the same methodology described above, NHTSA is discounting the annualized cost contemplated by the ACRO and the CCRs by \$15,721,393.

Accordingly, NHTSA estimates the terms of ACRO and the CCRs, assuming remedy-completion rates consistent with those prescribed in the former, contemplate an annualized cost

of \$27,836,329 per year for the next three years (2018–2020). In addition, NHTSA estimates that manufacturers will take an average of 2 hours each month drafting or customizing supplemental recall communications utilizing non-traditional means, submitting them to NHTSA for review, and finalizing them to send to affected owners and purchasers. NHTSA therefore estimates that 456 burden hours annually are associated with issuing these supplemental recall communications: 12 months x 2 hours per month x 19 manufacturers = 456 hours.

Because of the forgoing burden estimates, we are revising the burden estimate associated with this collection. The 49 CFR Part 573 and 49 CFR Part 577 requirements found in today's notice will require 51,773 hours each year. Additionally, manufacturers impacted by 49 CFR Part 573 and 49 CFR Part 577 requirements will incur a recurring annual cost estimated at \$127,614,000 total. The burden estimate in this collection contemplated for conducting supplemental recall communications under administrative order to achieve completion of the Takata recalls is 456 hours each year. Additionally, that administrative order contemplates impacted manufacturers incurring an annual cost estimated at \$27,836,329. Therefore, in total, we estimate the burden associated with this collection to be 52,229 hours each year, with a recurring annual cost estimated at \$155,450,329.

Estimated Number of Respondents –

NHTSA estimates that there will be approximately 274 manufacturers per year filing defect or noncompliance reports and completing the other information collection responsibilities associated with those filings. NHTSA estimates there will be an average of 19 manufacturers each year conducting supplemental nontraditional monthly outreach pursuant to administrative

order in an enforcement action associated with the Takata recall.

Jeffrey Giuseppe
Acting Associate Administrator for
Enforcement

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