

## DEPARTMENT OF TRANSPORTATION

## National Highway Traffic Safety Administration

[Docket No. 93-68; Notice 9]

## Reports, Forms and Recordkeeping Requirements

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

**ACTION:** Request for public comment on proposed collections of information.

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

**DATES:** Comments must be received on or before January 30, 1998.

**ADDRESSES:** Comments must refer to the notice and docket numbers cited at the beginning of this notice and be submitted to Docket Section, Room 5109, NHTSA, 400 Seventh Street, S.W., Washington, DC 20590. Please identify the proposed collection of information for which a comment is provided as the Proposed Part 577 Information Collection. It is requested, but not required, that one (1) original plus two (2) copies of the comments be provided. The Docket Section is open on weekdays from 9:30 a.m. to 4 p.m.

**FOR FURTHER INFORMATION CONTACT:** Complete copies of each NHTSA request for OMB approval of a collection of information may be obtained at no charge from Mr. Edward Kosek, NHTSA Information Collection Clearance Officer, NHTSA, 400 Seventh Street, S.W., Room 5110, Washington, DC 20590. The telephone number is (202) 366-2589.

## SUPPLEMENTARY INFORMATION:

Under the Paperwork Reduction Act of 1995, before an agency submits a proposed collection of information to OMB for approval, it must publish a document soliciting public comments in the **Federal Register**, with a 60-day comment period, and otherwise consult with members of the public and affected agencies concerning each proposed collection of information. OMB has promulgated regulations describing

what must be included in the **Federal Register** document. Under OMB's regulations (found at 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 comment on the following proposed collection of information:

**Amendment to Part 577 Requirements for Notification of Dealers by Manufacturers of Motor Vehicles or Motor Vehicle Equipment with Safety-Related Defects or Noncompliances with Federal Motor Vehicle Safety Standards**

*Type of Request*—Clearance for new collection.

*OMB Clearance Number*—Not applicable. New collection.

*Form Number*—This collection of information uses no standard forms.

*Requested Expiration Date for Approval*—Three years after date of approval.

*Summary of the Collection of Information*—This collection of information applies to manufacturers of motor vehicles and items of motor vehicle equipment when it is decided that a vehicle or item of equipment they manufacture contains a safety-related defect or fails to comply with a Federal motor vehicle safety standard (FMVSS). Manufacturers are required by statute to notify dealers when it is decided that safety-related defects or noncompliances exist. The agency has proposed an amendment to 49 CFR Part 577, Defect and Noncompliance Notification, to establish a time limit within which the manufacturers must notify the dealers and to require that certain information about dealer rights and responsibilities with respect to the defective or noncomplying vehicles or

equipment be included in the notification.

*Description of the Need for Information and Proposed Use of the Information*—Dealers of vehicles or equipment that are the subject of safety recalls need to receive notification of safety recalls from manufacturers promptly after the decision is made to recall, including information about the prohibition against selling from inventory vehicles that have been determined to be subject to recall. This prompt notification will minimize the likelihood that dealers will sell unsafe vehicles or equipment from their inventories before the defect or noncompliance is remedied. It is also necessary for dealers to be informed of their statutory rights vis a vis manufacturers so that they will not fail to participate in recalls due to erroneous beliefs about who must bear financial responsibility for providing the remedy for the defect or noncompliance.

*Description of the Likely Respondents (Including Estimated Number) and Proposed Frequency of Response to the Collection of Information*—The estimated number of vehicle and equipment manufacturers subject to this rule is 500. The agency estimates that in any given year the number of safety recalls is approximately 300, based on the average number of recalls per year from 1993 through 1996. A manufacturer is required to provide notification in compliance with this rule only if it is conducting a safety recall. The frequency of response to the collection of information depends on the number of safety recalls a manufacturer conducts.

*Estimate of the Total Annual Reporting and Recordkeeping Burden Resulting from the Collection of Information*—The hour burden on respondents from the final rule will arise from the time manufacturers will spend in rewriting their dealer notification letters to include the additional information specified in the rule, and in writing letters to NHTSA to request a delay in providing dealer notification beyond the five days specified in the rule.

The agency estimates that the average time needed for a manufacturer to revise the language of a dealer notification letter to include the newly-required language will be 1/2 hour. This is based on the assumption that most manufacturers use a form letter as the basis for their dealer notification letters; and that those few that do not do so experience very few, if any, recalls in a year.

The total number of hours needed for all 500 potentially affected

manufacturers to modify their dealer notification letters is 250 hours (500 manufacturers  $\times$  1/2 hour letter modification time). However, the agency estimates that in any given year that 85 percent of the 300 annual recalls are conducted by approximately 50 manufacturers who conduct more than one safety recall per year on a regular basis. The remaining 45 recalls per year (15 percent) are conducted by manufacturers who conduct recalls on an infrequent basis. In year one the agency estimates that all 50 of the manufacturers who conduct recalls on a regular basis along with 45 manufacturers who conduct recalls on an infrequent basis will have to modify their dealer notification letters, resulting in 95 out of the 500 affected manufacturers having to modify their dealer notification letters in year one. In years two through ten 45 of the remaining 405 remaining manufacturers who conduct recalls infrequently will have to modify their dealer notification letters each year. This would result in an annual hour burden of 47.5 hours for the first year (95 affected manufacturers  $\times$  1/2 hour letter modification time) and 22.5 hours for the second through tenth years (45 affected manufacturers per year  $\times$  1/2 hour letter modification time).

This burden will be a one-time occurrence because the rule will impose little or no time burden for recalls after the first one a manufacturer conducts after revising its dealer notification letter. Manufacturers are already required by statute to notify their dealers about safety recalls. This rule does not alter the information that a manufacturer is now required to provide to dealers about individual recalls.

The agency expects that for 20 percent of the safety recalls conducted annually—or about 60—the manufacturer will request a delay in sending dealer notification. The agency estimates that the average preparation time for such a letter will be about 1/2 hour. Accordingly, the total annual hour burden hours for preparing letters requesting a delay in providing dealer notification will be about 30 hours (60 recalls  $\times$  1/2 hour per recall).

The agency estimates that the total annual hour burden on respondents of the information collection requirement of this final rule will be 30 hours, plus a one-time burden of 250 hours, spread over a period of ten years.

The agency estimates that the hourly labor cost for manufacturers for revising the dealer notification letters will be \$50. With the estimated 1/2 hour needed to revise the letter for each of 500 manufacturers, the total labor cost of revising the dealer notification letters

would be \$12,500. Since the number of safety recalls per year is approximately 300, not all manufacturers will incur the cost of revising the letter in the same year. If 95 manufacturers modify their dealer notification letters in year one and 45 of the remaining 405 manufacturers modify their dealer notification letters in years two through ten, the cost would be spread over a minimum of ten years. This would result in an annual cost burden of \$2,375 for the first year and \$1,125 per year for the second through tenth years.

As stated earlier, the burden is likely to be a one-time occurrence in most cases, since most manufacturers use form notifications that will only need to be revised once. After a manufacturer has revised its form notification, the cost of subsequent letters will be no greater than that for the notification that a manufacturer is presently required by statute to send to dealers.

The agency estimates that the labor cost to manufacturers for preparation of requests for delay of dealer notification will also be about \$50 per hour. Thus, for 60 such requests per year, with an average preparation time of 1/2 hour each, the annual labor cost to manufacturers will be approximately \$1,500.

In summary, the agency estimates that the total annual cost to respondents will be approximately \$1,500, plus a one-time-only cost of \$12,500, spread over a period of ten years.

There is no recordkeeping burden associated with this rulemaking.

**Authority:** 44 U.S.C. 3506(c); delegation of authority at 49 CFR 1.50.

Dated: November 24, 1997.

**Kenneth N. Weinstein,**

*Associate Administrator For Safety Assurance.*

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## DEPARTMENT OF TRANSPORTATION

### National Highway Traffic Safety Administration

[Docket No. NHTSA-97-3156]

#### Notice of Receipt of Petition for Decision That Nonconforming 1973-1975 Volkswagen Type 181 ("The Thing") Multi-Purpose Passenger Vehicles Are Eligible for Importation

**AGENCY:** National Highway Traffic Safety Administration, DOT.

**ACTION:** Notice of receipt of petition for decision that nonconforming 1973-1975 Volkswagen Type 181 ("The Thing")

multi-purpose passenger vehicles (MPVs) are eligible for importation.

**SUMMARY:** This notice announces receipt by the National Highway Traffic Safety Administration (NHTSA) of a petition for a decision that 1973-1975 Volkswagen Type 181 ("The Thing") MPVs that were not originally manufactured to comply with all applicable Federal motor vehicle safety standards are eligible for importation into the United States because (1) they are substantially similar to vehicles that were originally manufactured for importation into and sale in the United States and that were certified by their manufacturer as complying with the safety standards, and (2) they are capable of being readily altered to conform to the standards.

**DATES:** The closing date for comments on the petition is December 31, 1997.

**ADDRESSES:** Comments should refer to the docket number and notice number, and be submitted to: U.S. Department of Transportation Dockets, Room PL-401, 400 Seventh St., SW, Washington, DC 20590. (Docket hours are from 10 am to 5 pm).

**FOR FURTHER INFORMATION CONTACT:** George Entwistle, Office of Vehicle Safety Compliance, NHTSA (202-366-5306).

#### SUPPLEMENTARY INFORMATION:

##### Background

Under 49 U.S.C. 30141(a)(1)(A), a motor vehicle that was not originally manufactured to conform to all applicable Federal motor vehicle safety standards shall be refused admission into the United States unless NHTSA has decided that the motor vehicle is substantially similar to a motor vehicle originally manufactured for importation into and sale in the United States, certified under 49 U.S.C. § 30115, and of the same model year as the model of the motor vehicle to be compared, and is capable of being readily altered to conform to all applicable Federal motor vehicle safety standards.

Petitions for eligibility decisions may be submitted by either manufacturers or importers who have registered with NHTSA pursuant to 49 CFR part 592. As specified in 49 CFR 593.7, NHTSA publishes notice in the **Federal Register** of each petition that it receives, and affords interested persons an opportunity to comment on the petition. At the close of the comment period, NHTSA decides, on the basis of the petition and any comments that it has received, whether the vehicle is eligible for importation. The agency then