

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSION ON
IMPORTATION OF VEHICLES AND EQUIPMENT SUBJECT TO THE FEDERAL
MOTOR VEHICLE SAFETY, BUMPER AND THEFT PREVENTION STANDARDS**

49 CFR Parts 591, 592, and 593

A. JUSTIFICATION

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

Under 49 U.S.C. § 30112(a), a motor vehicle manufactured after the date an applicable Federal motor vehicle safety standard (FMVSS) takes effect cannot be lawfully imported into the United States unless the vehicle complies with the standard and is so certified by its manufacturer. An exception to this prohibition found at 49 U.S.C. § 30141 permits the importation of a nonconforming vehicle, provided the vehicle is determined eligible for importation by the National Highway Traffic Safety Administration (NHTSA), and is imported by an importer specially registered with the agency (a “registered importer” or “RI”), or by a person who has a contract with an RI to bring the vehicle into conformity with all applicable standards after it is imported. To ensure that the vehicle is brought into conformity with all applicable FMVSS within 120 days for the date of entry or is exported from, or abandoned to, the United States, the importer must furnish U.S. Customs and Border Protection (Customs) with a DOT conformance bond (on form HS-474) in an amount equivalent to 150 percent of the dutiable value of the vehicle. See 49 U.S.C. § 30141(d). To obtain release of the bond, the RI must submit to NHTSA a statement of conformity certifying that the vehicle has been brought into compliance with all applicable Federal motor vehicle safety and bumper standards, supported by photographic and documentary evidence of the modification performed to achieve conformity (on form HS-7A_Box 3). See attachments: 49 U.S.C. 30141(d).pdf; Form HS-474.pdf; and Form HS-7A_Box 3.pdf.

Other exceptions permit nonconforming vehicles to be imported temporarily for the personal use of nonresident tourists or foreign diplomatic or military personnel on assignment in the United States. See 49 U.S.C. §§ 30112(b), 30143, and 30144. Nonconforming vehicles can also be imported temporarily for purposes of research, investigations, demonstrations, training, or competitive racing events by manufacturers of vehicles that are certified to all applicable FMVSS, or, with NHTSA’s written permission, by other importers. See 49 U.S.C. § 30114. Application forms that can be used to obtain a NHTSA permission letter are published on the agency’s website. See attachments: 49 U.S.C. 30112(b).pdf; 49 U.S.C. 30114.pdf; 49 U.S.C. 30143.pdf; 49 U.S.C. 30144.pdf; Form HS-7A_Box 7.pdf; and Form HS-7A_Box 8.pdf.

Nonconforming vehicles can also be imported if they were manufactured more than 25 years before their date of entry, or are intended solely for export and are so labeled. See 49

U.S.C. § 30112(b). Another exception to the prohibition on the permanent importation of nonconforming vehicles allows vehicles of unusual historical or technological significance to be imported for purposes of show or display. Prior to the vehicle's entry, an importer must persuade the agency that the nonconforming vehicle is of such historical or technological significance that it is worthy of being shown or displayed in the United States even though it would be difficult or impossible for it to be brought into compliance with the FMVSS. Vehicles imported for purposes of show or display can be driven no more than 2,500 miles per year, and the person seeking to import the vehicle must provide proof of insurance that sets that mileage limitation as a condition. Application forms that can be used to obtain a NHTSA permission letter are published on the agency's website. See attachments: Form HS-7A_Box 10 permission.pdf and Form HS-7A_Box 10a determination.pdf.

NHTSA's regulations at 49 CFR Part 591 require the importer of a motor vehicle to file, at the time of entry, a declaration identifying the lawful basis for the vehicle's admission to the United States. This declaration is made on the HS-7 Declaration form. The declaration must be filed for all vehicles imported, including those that are originally manufactured to comply with all applicable Federal motor vehicle safety, bumper, and theft prevention standards and are therefore free to enter without restriction under the laws and regulations administered by NHTSA and vehicles that are not primarily manufactured for use on public roads, and are therefore not subject to the FMVSS, such as closed circuit racing cars and motorcycles, dirt bikes and all-terrain vehicles or "ATVs." An application form that can be used to obtain a letter from NHTSA recognizing that a particular vehicle was originally manufactured for racing purposes, and is therefore eligible for entry as an off-road vehicle, is available on the agency's website. See attachments: 49 CFR Part 591.pdf; Form HS-7.pdf; and Form HS-7A_Box 8.pdf.

The HS-7 Declaration form must also be filed by importers of motor vehicle equipment items that are subject to the FMVSS. Those items include tires, rims, brake hoses, brake fluid, seat belt assemblies, lamps, reflectors, and associated equipment, glazing, child seats, motorcycle helmets, compressed natural gas containers, warning devices, platform lift systems for the mobility impaired, and rear impact guards for trailers.

The HS-7 Declaration form can be filed either through use of a paper form that is distributed to the Ports of Entry or can be downloaded from the agency's website, or can be filed electronically by a Customs House Broker using the Customs Automated Broker Interface (ABI) system. ABI entries are made for the great majority of motor vehicle and motor vehicle equipment that is imported into the United States.

NHTSA's regulations at 49 CFR Part 592 establish application requirements for persons seeking to become RIs and requirements for those seeking to renew their applications on an annual basis. The regulations also require RIs to retain, for a period of ten years, records pertaining to the nonconforming vehicles they import. One of the primary purposes of the record retention requirement is to provide an RI with a ready means of identifying vehicles that it must remedy without charge if the vehicle is determined to contain a safety-related defect or not to comply with an applicable FMVSS. See attachment: 49 CFR Part 592.pdf.

2. Indicate how, by whom, and for what purpose the information is to be used.

The information retained by RIs is used to identify the owners of any vehicles it has imported that have been determined to contain a safety-related defect or a noncompliance with an applicable FMVSS. NHTSA periodically notifies each RI of the vehicles it has imported that have been recalled by their original manufacturer to correct a safety-related defect or noncompliance. The RI is obligated under 49 U.S.C. §§ 30118-30120 and NHTSA's regulations at 49 CFR 592.6(g) to furnish the owner of any such vehicle with notification of, and a remedy for, the defect or noncompliance. See attachments: 49 U.S.C. 30118.pdf; 49 U.S.C. 30119.pdf; and 49 U.S.C. 30120.pdf.

The information that NHTSA collects is used to ensure that motor vehicles and motor vehicle equipment offered for importation into the United States can be lawfully admitted and to ensure that RIs are meeting their obligations under the statutes and regulations NHTSA administers and to make more informed decisions in conferring RI status on applicants and in permitting RI status to be retained by those currently holding registrations.

3. Describe whether the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

As previously noted, the agency does permit the HS-7 Declaration form to be filed electronically by Customs House Brokers through the Automated Broker Interface (ABI) system. To minimize the potential for fraudulent submissions, NHTSA currently requires information from RIs and applicants for RI status to be submitted and retained in hard copy form. The agency is currently examining the feasibility of allowing RIs to electronically submit to the agency conformity data on the vehicles that they bring into compliance with applicable standards. That data accounts for the great bulk of the material that RIs are required to retain on their premises. Should the agency ultimately decide to permit RIs to submit that information electronically, they will be also allowed to store the information electronically, thereby reducing their storage costs.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2.

There is no information currently available to the agency, or elsewhere in the Federal government, that could be used or modified for the purposes described in Item 2.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

Many RIs are small businesses. The agency estimated that it will take an applicant for RI status approximately 10 hours to collect and assemble the information to support such an application. The agency receives, on average, 8 applications for RI status per year. The agency also estimates that it will take an existing RI no more than two hours to collect and assemble the

information necessary to support the annuals request to renew its registration. Currently 69 RIs are registered with the agency.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If the collection were not conducted, NHTSA's enforcement responsibilities under the National Traffic and Motor Vehicle Safety Act would be frustrated. Vehicles that were not originally manufactured to comply with all applicable FMVSS could freely enter the United States, potentially diminishing safety on our nation's highways. The same is true for motor vehicle equipment items, such as tires, lighting equipment, and motorcycle helmets that were not manufactured to comply with applicable FMVSS. The information collection also allows NHTSA to assure that applicants for RI status, and those already holding registrations, are capable of properly exercising the responsibilities of an RI. The agency is not aware of any technical or legal obstacles to the collection of this information.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.

There are no such circumstances.

8. Provide a copy of the Federal Register notice soliciting comments on the information collection. Summarize comments received in response to the notice and describe actions taken by the agency in response to those comments, specifically addressing comments received on cost and hour burdens. Describe efforts to consult with persons outside the agency to obtain their views.

A notice soliciting comments on the proposed information collection was published in the Federal Register on July 16, 2010 (75 FR 41565). Two comments were received in response to the notice. See attachment: 75 FR 41565.pdf. The first comment, from Tai H. Soda of Covington, Georgia, stated: "This proposal might make the process more complicating (sic) in terms of paper work." No other information was provided with this comment. The commenter did not explain the basis for his observation. In view of these circumstances, there is no action that the agency can take in response to the comment.

The second comment is from Michael E. Wilson, Chief Executive Officer of the Automotive Recyclers Association (ARA) of Manassas, Virginia. In the comment, the ARA expressed its support for the agency's request to extend the information collection associated with the vehicle importation program for an additional three years. The organization requested, however, that additional data elements be collected. Specifically, it requested NHTSA to "collect information on the final destination of vehicles designated for salvage or as total loss and ensure that they are detitled and/or processed legally." The ARA stated that the focus of its concern is on the period after vehicles that are "defined as salvage or total loss are imported, registered and awarded conformance bonds." Specifically, the organization expressed the belief that "some of these imported salvage vehicles could end up [being] sold through auction pools,"

which it characterized as “often [permitting] vehicles [to be] sold without appropriate papers such as titles and accident histories.” This comment incorrectly assumes that vehicles that have been declared salvage or total loss are able to freely enter the United States. It disregards the fact that to lawfully import a nonconforming vehicle under Box 3 on the HS-7 Declaration form, a Registered Importer must declare that “the vehicle is not a salvage motor vehicle or a reconstructed motor vehicle.” See 49 CFR 591.5(f). Moreover, to lawfully import a Canadian-certified vehicle for personal use under Box 2B, the importer must declare that the vehicle “is not a salvage motor vehicle, a repaired salvage motor vehicle, or a reconstructed motor vehicle.” See 49 CFR 591.5(g). Moreover, the comment incorrectly assumes that NHTSA is able to retain jurisdiction over a vehicle after the importation process has been completed. The agency’s authority in fact ends once it releases the DOT conformance bond, which permits a vehicle that was not originally manufactured to conform to all applicable FMVSS to be titled or registered for on-road use. The comment is asking NHTSA to undertake responsibilities that are beyond the scope of its mission. For this reason, the agency is unable to take any action in response to the comment.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payment or gift will be provided to any respondent.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The agency’s regulations at 49 CFR Part 512, *Confidential Business Information*, establish the procedures by which NHTSA will consider claims that information submitted to the agency is confidential business information. If a respondent requests confidentiality for any information contained in its submission, NHTSA will consider and process that request in accordance with those procedures. See attachment: 49 CFR Part 512.pdf.

11. Provide additional justification for any questions on matters that are commonly considered private.

There are no such questions.

12. Provide estimates of the hour burden of the collection of information on the respondents, and estimates of the annualized cost to respondents associated with that hour burden.

HS-7 Declaration Form

Box 1 Declarations

Based on an average volume of imports over the last three years, the agency projects that roughly 7,500 vehicles that are 25 years old or older will be imported each

year under Box 1 on the HS-7 Declaration form over the next three years. Assuming that an HS-7 Declaration form is filed for each of these vehicles, and that it will take five minutes to complete each of these forms, the agency estimates the hour burden associated with completing the paperwork for these vehicles to be approximately 625 hours per year ($0.083333 \text{ hours} \times 7,500 = 625 \text{ hours}$).

Box 2A Declarations

The agency projects that roughly 3,700,000 conforming vehicles will be imported each year under Box 2A for the next three years. The overwhelming majority of vehicles entered under Box 2A are imported by original manufacturers. As a rule, manufacturers do not file a separate HS-7 Declaration form for each conforming vehicle they import under Box 2A. Instead, the manufacturers furnish NHTSA with a single declaration form, on a monthly basis, to which they attach a list of all vehicles, identified by make, model, model year, and vehicle identification number (VIN), that were imported under Box 2A during that month. In this manner, it is not unusual for a single HS-7 Declaration form to be filed with the agency to cover the entry of many thousands of vehicles. Assuming that manufacturers account for 90 percent of the vehicles imported under Box 2A, and that a manufacturer will, on average, report the entry of 5,000 vehicles on a single Declaration form, and that all other vehicles imported under Box 2A are declared individually, the agency projects the hour burden associated with completing the paperwork for the entry of these vehicles to be 30,832 hours per year ($3,700,000 \text{ vehicles} \times .9 = 3,330,000 \text{ vehicles imported by original manufacturers}$; $3,330,000 \text{ vehicles} \div 5,000 \text{ vehicles per declaration forms filed} = 666 \text{ declaration forms being filed per year by manufacturers}$; assuming that a separate declaration is filed for each other vehicle imported under Box 2A yields $370,000 \text{ declarations being filed per year for these vehicles}$; $370,000 + 666 = 370,666 \text{ declarations per year}$; $0.08333 \text{ hours to complete each declaration} \times 370,666 \text{ declarations} = 30,832 \text{ hours}$).

Box 2B Declarations

The agency projects that roughly 1,675 Canadian-certified vehicles will be imported for personal use under Box 2B in each of the next three calendar years. Assuming that a separate HS-7 Declaration form is filed for each of these vehicles, the hour burden associated with the completing the paperwork for the entry of these vehicles will be 140 hours per year ($1,675 \text{ vehicles} \times 0.08333 \text{ hours per entry} = 140 \text{ hours}$).

Box 3 Declarations

The agency projects that 8,200 nonconforming vehicles will be imported by RIs or by persons who have contracts with RIs for each of the next three years under Box 3. Assuming that volume, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be 683 hours ($0.08333 \text{ hours to complete each HS-7} \times 8,200 \text{ vehicles} = 683 \text{ hours}$). In addition, assuming an importation volume of 8,200 vehicles per year, the hour burden associated with the completion of the HS-474 DOT conformance bond will be 820 hours ($0.1 \text{ hours to complete each HS-474} \times 8,200$

vehicles = 820 hours). An RI must submit to NHTSA a conformity package for each nonconforming vehicle that it imports under Box 3.

Conformity Packages for Box 3 Entries

Because the Canadian motor vehicle safety standards are identical in most respects to the FMVSS, there are relatively few modifications that need to be performed on a Canadian-certified vehicle to conform it to the FMVSS and the conformity packages that are submitted on these vehicles are considerably less comprehensive than those submitted for vehicles from Europe, Japan, and other foreign markets. The agency estimates that it would take the average RI no more than 30 minutes to collect information for, and assemble, a conformity package for a Canadian-certified vehicle.

Generally, more modifications are needed to conform a non-Canadian vehicle to the FMVSS. To properly document these modifications, more information must be included in the conformity package for a non-Canadian vehicle than is required for a Canadian-certified vehicle. The agency estimates that it would take an RI approximately twice as long, or roughly one hour, to compile information for, and assemble, a conformity package for a typical non-Canadian vehicle.

Of the 7,794 nonconforming vehicles imported under Box 3 in 2007, 7,434, or over 95 percent, were Canadian market and 360, or under 5 percent, were from markets other than Canada. Of the 6,311 nonconforming vehicles imported under Box 3 in 2008, 5,775, or roughly 91.5 percent, were Canadian market and 536, or roughly 8.5 percent, were from markets other than Canada. Of the 10,751 nonconforming vehicles imported under Box 3 in 2009, 10,259, or over 95 percent were Canadian market and 492, or under 5 percent, were from markets other than Canada. Assuming this trend continues in future years, the agency estimates the hour burden associated with the submission of conformity packages on Canadian-certified vehicles to be 3,895 hours per year (8,200 vehicles X 95 percent or 0.95 = 7,790 vehicles; 7,790 vehicles X 0.5 hours per vehicle = 3,895 hours). The agency estimates the hour burden associated with the submission of conformity packages for non-Canadian vehicles to be 410 hours per year (8,200 vehicles X 5 percent or 0.05 = 410 vehicles; 410 vehicles X 1.0 hours per vehicle = 410 hours). Adding these figures yields an estimated burden of 4,305 hours per year for the entire RI industry to compile and submit conformity packages to NHTSA on nonconforming vehicles imported under Box 3 (3,895 hours + 410 hours = 4,305 hours).

Import Eligibility Petitions for Box 3 Entries

The agency estimates that it would take the typical RI that petitions the agency roughly two hours to complete the paperwork associated with the submission of a petition for a vehicle that has a substantially similar U.S.-certified counterpart, and roughly twice as long, or four hours, to complete the paperwork associated with the submission of a petition for a vehicle that lacks a substantially similar U.S.-certified counterpart. In 2007, 22 import eligibility petitions were submitted to the agency. Of these, 17, or 77 percent, were for vehicles with substantially similar U.S.-certified counterparts and 5, or 23

percent, were for vehicles for which there were no substantially similar U.S. certified counterparts. In 2008, 15 import eligibility petitions were submitted to the agency. Of these, 14, or 93 percent, were for vehicles with substantially similar U.S.-certified counterparts, and 1, or 7 percent, were for which there were no substantially similar U.S.-certified counterparts. In 2009, 12 import eligibility petitions were submitted to the agency. Of these, 9, or 75 percent, were for vehicles with substantially similar U.S.-certified counterparts, and 3, or 25 percent, were for which there were no substantially similar U.S.-certified counterparts.

Assuming this trend continues in future years, the agency estimates that roughly 13 import eligibility petitions will be submitted each year, 80 percent of which, or 10 petitions, will be for vehicles with substantially similar U.S.-certified counterparts, and 20 percent of which, or 3 petitions, will be for vehicles lacking substantially similar U.S.-certified counterparts. Based on these figures, the agency estimates that the hour burden for the paperwork associated with the submission of import eligibility petitions to be 32 hours per year (10 petitions X 2 hours per petition = 20 hours; 3 petitions X 4 hours per petition = 12 hours; 20 hours + 12 hours = 32 hours).

Box 4 Declarations

The majority of vehicles imported for export only under Box 4 are imported by original manufacturers that do not file individual declaration forms with the agency for each vehicle imported, but instead included those vehicles in the monthly count supplied to the agency along with conforming vehicles imported under Box 2A. The agency received only 39 HS-7 Declaration forms for vehicles imported under Box 4 in 2009. Assuming this represents the share of vehicles imported under Box 4 by parties other than original manufacturers, the agency projects that HS-7 Declaration forms will be filed for no more than one percent of the vehicles imported under Box 4 in future years. Averaging the volume of vehicles imported for export only under Box 4 over the past three years yields an estimate of roughly 40,000 vehicles being imported on an annual basis in the next three years, and 400 HS-7 Declaration forms being filed in each of those years. Based on that figure, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be under 44 hours (0.08333 hours to complete each HS-7 X 400 vehicles = 33.33 hours).

Box 5 Declarations

The agency estimates that roughly 320 vehicles will be imported by nonresidents of the United States for personal use under Box 5 in each of the next three years. Assuming that volume, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be under 27 hours (0.08333 hours to complete each HS-7 X 320 vehicles = 26.6666 hours).

Box 6 Declarations

The agency estimates that roughly 25 vehicles will be imported under Box 6 by foreign diplomatic personnel on assignment in the United States in each of the next three years. Assuming that volume, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be roughly 2 hours (0.08333 hours to complete each HS-7 X 25 vehicles = 2.08 hours).

Box 7 Declarations and Applications for Permission Letters

Written permission from NHTSA is needed to temporarily import a nonconforming motor vehicle or equipment item under Box 7 unless the importer is a manufacturer of motor vehicles that are certified to the FMVSS. An application form that can be used to obtain the letter of permission is posted to the agency's website. In 2007, 4,741 vehicles were imported under Box 7. In 2008, 5,860 vehicles were imported under that box. In 2009, 4,090 vehicles were imported. Permission letters were requested from NHTSA for 222 of the vehicles imported in 2007, 302 of the vehicles imported in 2008, and 254 of the vehicles imported in 2009, representing roughly 5 percent of the total number of vehicles imported under Box 7 in those years. The remaining vehicles were imported by original manufacturers of vehicles that are certified to the FMVSS, who can temporarily import nonconforming vehicles for any of the specified purposes under Box 7 without the need for a NHTSA permission letter.

Averaging the volume of imports over the past two years, the agency projects that roughly 5,000 vehicles will be imported under Box 7 in each of the next three years. Assuming that applications for NHTSA permission letters will be submitted for ten percent of those vehicles, and that a single application will be filed for each vehicle, the agency estimates that 500 applications will be filed in each of the next three years. Based on the estimate that it will take roughly five minutes to complete each of those applications, the agency projects that under 42 hours will be expended on an annual basis to submit applications for permission from NHTSA to import vehicles under Box 7 (0.0833 hours per application X 500 applications = 41.66 hours). Assuming that a single HS-7 Declaration form is filed for each vehicle imported under Box 7, the agency projects that under 420 hours will be expended on an annual basis in completing the declaration for vehicles imported under Box 7 (0.0833 hours per declaration X 5000 vehicles = 416.66 hours).

Box 8 Declarations and Applications for Permission Letters

Vehicles that are not primarily manufactured for on-road use do not qualify as "motor vehicles" that are subject to the FMVSS, and may be therefore be imported without regard to their compliance with those standards. These vehicles are entered under Box 8 on the HS-7 Declaration form. Vehicles that can be entered in this fashion include those that are originally manufactured for closed circuit racing. Although approval from NHTSA is not needed to import a vehicle that was originally manufactured for racing purposes, the agency will issue a letter recognizing a particular vehicle as having been so manufactured if the importer requests the agency to do so. An application form that can be used to obtain such a letter is also posted to the agency's

website. In 2007, applications were submitted to NHTSA for 78 vehicles imported under Box 8. In 2008, 66 applications were filed. In 2009, 62 were filed. Based on these figures, the agency projects that 70 applications to import vehicles for racing purposes under Box 8 will be submitted in each of the next three years. Assuming that it will take five minutes to complete each of these applications, the agency estimates that under 6 hours will be expended in completing these applications ($0.08333 \text{ hours} \times 70 \text{ applications} = 5.83 \text{ hours}$).

In 2007, a total of 122,960 vehicles were imported under Box 8. In 2008, 175,282 vehicles were imported under that box. In 2009, 99,524 were imported. Averaging those figures, the agency projects that roughly 135,000 vehicles will be imported under Box 8 in each of the next three years. The vast majority of these vehicles were off-road motorbikes or all-terrain vehicles that were imported in bulk shipments for which a single declaration was filed. NHTSA received only 57 HS-7 Declaration forms for vehicles imported under Box 8 in 2007, 16 for vehicles imported in 2008, and 15 for those imported in 2009. The remainder of the entries were made electronically. Based on the assumption that each entry covers 100 vehicles, the agency estimates that approximately 13,500 Box 8 entries will be made on an annual basis over the next three years. Relying on this assumption, the agency projects that slightly more than 1,125 hours will be expended on an annual basis in completing the declaration for vehicles imported under Box 8 ($0.0833 \text{ hours per declaration} \times 13,500 \text{ vehicles} = 1,124.9995 \text{ hours}$).

Box 9 Declarations

The agency projects that roughly 8,600 vehicles requiring furthering manufacturing operations to perform their intended functions will be imported under Box 9 in each of the next three years. Assuming that a separate HS-7 Declaration form is filed for each of those vehicles, the agency projects that under 584 hours will be expended on an annual basis in completing the declaration for vehicles imported under Box 9 ($0.0833 \text{ hours per declaration} \times 8,600 \text{ vehicles} = 716.66$).

Box 10 Applications and Declarations

An application form that can be used to request the agency to decide that a particular make, model, and model year vehicle is of sufficient technological or historical significance to be eligible for importation for purposes of show or display is posted to the agency's website. In 2007, the agency received 18 applications to determine vehicles eligible for importation for purposes of show or display. In 2008, the agency received 22 such applications. In 2009, the agency received 8. Averaging these figures, the agency projects that it will receive 16 applications to determine vehicles eligible for importation for purposes of show or display in each of the next three years. Assuming that it will take the typical applicant up to ten hours to compile and assemble the materials needed to support each application, the agency estimates that up to 160 hours will be expended in this activity in each of those years.

Also on the agency's website is an application form that can be used to request NHTSA to permit a particular vehicle to be imported for purposes of show or display once the agency has decided that the vehicle is of a make, model, and model year that is eligible for importation for those purposes. Certain restrictions apply to vehicles that are imported for purposes of show or display. Among those is a requirement that the vehicle not be driven in excess of 2,500 miles per year. The application specifies the terms of the importation and makes provision for the applicant to agree to those terms. In 2007, the agency received 15 applications to import specific vehicles for purposes of show or display. In 2008, the agency received 13 such applications. In 2009, the agency received 8. Averaging those figures, the agency estimates that it will receive roughly 12 applications in each of the next three years. Assuming that it will take the typical applicant up to one hour to compile and assemble the materials needed to support each application, the agency estimates that up to 12 hours will be expended in this activity in each of those years.

Box 11 Declarations

The agency estimates that 2,350 entries will be made for motor vehicle equipment that is subject to the Theft Prevention Standard under Box 11 in each of the next three years. Based on the extremely low number of paper HS-7 Declaration forms the agency receives for these entries, the agency assumes that virtually all of these entries are made electronically. Assuming that it will take five minutes to complete each of these entries, the agency projects that under 196 hours will be expended on an annual basis in making these entries for vehicles imported under Box 11 (0.0833 hours per declaration X 2,350 vehicles = 195.83 hours).

Box 12 Declarations

The agency projects that roughly 105 vehicles will be imported by foreign military personnel on assignment in the United States under Box 12 in each of the next three years. Assuming that volume, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be under 9 hours (0.08333 hours to complete each HS-7 X 105 vehicles = 8.749965 hours).

Box 13 Declarations and Applications for Permission Letters

A nonconforming vehicle imported by an RI for the purpose of preparing a petition for NHTSA to decide that a particular make, model, and model year vehicle is eligible for importation is entered under Box 13 on the HS-7 Declaration form. A letter from NHTSA granting the importer permission to import the vehicle for that purpose must be filed with the declaration. NHTSA has issued guidance to inform RIs that it will permit no more than two vehicles to be imported for the purpose of preparing an import eligibility petition.

Box 13 was incorporated into the HS-7 Declaration form when that form was last revised in May, 2006. Since that time, the agency has received requests to permit the

importation of 12 vehicles under Box 13 in 2007, 15 in 2008, and 28 in 2009. As previously noted, the agency projects that roughly 13 import eligibility petitions will be submitted in each of the next three years. The agency permits an RI to import up to two vehicles for the purpose of preparing an import eligibility petition. Assuming that each petitioning RI imports two vehicles, the agency estimates that it will receive up to 26 requests per year for letters permitting those vehicles to be imported under Box 13. Estimating that it will take five minutes to complete each of those requests, the hour burden associated with this activity will be roughly 1 hour (0.08333 hours to complete each request X 26 vehicles = 1.083299 hours).

Applications for RI Status

NHTSA is authorized to establish, by regulation, procedures for registering RIs. Under the terms of those regulations, an applicant for RI status must submit to the agency information that identifies the applicant, specifies the manner in which the applicant's business is organized (i.e., sole proprietorship, partnership, or corporation), and, depending on the form of organization, identifies the principals of the business. The application must also provide other identifying and qualifying information for the applicant, and set forth sufficient information to allow the Administrator to conclude that the applicant is technically and financially capable of exercising the responsibilities of an RI. In 2007, NHTSA received 7 applications for RI status. In 2008, the agency received 6 applications of this kind. In 2009, the agency received 11. Based on these figures, the agency anticipates that it will receive 8 applications for RI status in each of the next three years. Assuming that it will take up to ten hours to compile and assemble the material needed to support a single application, the agency estimates that 80 hours will be expended in this activity for each of the next three years (8 applications X 10 hours = 80 hours).

Annual Renewal Statements from Existing RIs

To maintain its registration, an RI must file an annual statement affirming that all information it has on file with the agency remains correct and that it continues to comply with the requirements for being an RI. Formats that existing RIs may use to renew their registrations are included in a newsletter sent electronically to each RI before the renewal is due and posted to the agency's website. The number of RI renewals has been generally declining in recent years on account of the weakening of the U.S. dollar against the Canadian dollar, and the concomitant reduction in the volume of vehicles imported from Canada. In 2007, NHTSA received renewal packages from 64 RIs. In 2008, the agency received only 63 renewal packages. In 2009, the agency received 70. Based on these figures, the agency anticipates that it will receive an average of 65 renewal packages in each of the next three years. Assuming that it will take up to two hours to compile and assemble the material needed to support a single application for renewal, the agency estimates that 130 hours will be expended in this activity for each of the next three years (65 renewal applications X 2 hours = 130 hours).

Total Hour Burden and Cost to Respondents Associated with the Hour Burden

Based on the above analysis, the agency projects that a total of 40,394 hours will be expended on an annual basis for all paperwork associated with the filing of the HS-7 Declaration form and other aspects of the vehicle importation program. The agency estimates the total annual cost associated with the hour burden to be \$1,576,891. The estimated annual cost of \$1,576,891 is based on a loaded hourly cost of \$39.04 for the services of the professional or clerical personnel who will be filing the HS-7 Declaration and related documentation.

13. Provide estimates of the total annual cost to the respondent or record keepers.

In addition to the hourly costs detailed above, the costs associated with this information collection include those incident to the storage of records pertaining to the nonconforming vehicles that each RI imports into the United States. The agency's regulations at 49 CFR 592.6(b) require an RI to maintain and retain certain specified records for each motor vehicle for which it furnishes a certificate of conformity to NHTSA, for a period of 10 years from the vehicle's date of entry. As described in the regulations, those records must consist of "correspondence and other documents relating to the importation, modification, and substantiation of certification of conformity to the Administrator." The regulations further specify that the records to be retained must include (1) a copy of the HS-7 Declaration Form furnished for the vehicle at the time of importation, (2) all vehicle or equipment purchase or sales orders or agreements, conformance agreements with importers other than RIs, and correspondence between the RI and the owner or purchaser of each vehicle for which the RI furnishes a certificate of conformity to NHTSA, (3) the last known name and address of the owner or purchaser of each vehicle for which the RI furnishes a certificate of conformity, and the vehicle identification number (VIN) of the vehicle, and (4) records, both photographic and documentary, reflecting the modifications made by the RI, which were submitted to NHTSA to obtain release of the conformance bond furnished for the vehicle at the time of importation. See 49 CFR 592.6(b)(1) through (b)(4).

The latter records are referred to as a "conformity package." Most conformity packages submitted to the agency covering vehicles imported from Canada are comprised of approximately six sheets of paper (including a check-off sheet identifying the vehicle and the standards that it was originally manufactured to conform to and those that it was modified to conform to, a statement identifying the recall history of the vehicle, a copy of the HS-474 conformance bond covering the vehicle, and a copy of the mandatory service insurance policy obtained by the RI to cover its recall obligations for the vehicle). In addition, most conformity packages include photographs of the vehicle, components that were modified or replaced to conform the vehicle to applicable standards, and the certification labels affixed to the vehicle.

Approximately 120 conformity packages can be stored in a cubic foot of space. Based on projected imports of 8,200 nonconforming vehicles per year, 68.3 cubic feet of

space will be needed on an industry-wide basis to store one year's worth of conformity packages. Assuming an annual cost of \$20 per cubic foot to store the information, NHTSA estimates the aggregate cost to industry for storing a year's worth of conformity packages to be \$1,366 per year. Over a ten-year retention period, a member of the industry would be required to retain 55 annual units of records (assuming that one annual unit was stored in the first year, two annual units in the second year, and so on). The aggregate cost to industry of the ten-year record retention requirement will therefore be \$75,130 (55 x \$1,366). Averaging this over the ten year retention period would yield an annual cost to industry of \$7,513 for the retention of the conformity packages RIs are required to maintain.

RIs are also required under 49 CFR 592.6(b) to retain a copy of the HS-7 Declaration Form furnished to Customs at the time of entry for each nonconforming vehicle for which they submit a conformity package to NHTSA. Paper HS-7 Declaration Forms are only filed for a small fraction of the nonconforming vehicles imported into the United States. Customs brokers file entries for most nonconforming vehicles electronically by using the Automated Broker Interface (ABI) system. For example, in Calendar year 2006, 10,953 ABI entries were made for nonconforming vehicles imported into the United States, and only 440 paper HS-7 Declaration Forms (representing less than four percent of the total) were filed for such vehicles. Because HS-7 Declaration Forms are filed for only a small fraction of the nonconforming vehicles that are imported by RIs, the storage requirement for those records can have no more than a negligible cost impact on the industry. Because the remaining records that RIs are required to retain under 49 CFR 592.6(b) may be stored electronically, the agency anticipates that the costs incident to the storage of those records for an additional two years will also be negligible.

14. Provide estimates of the annualized cost to the Federal Government.

There are no annualized costs to the Federal Government that are associated with the proposed information collection.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14.

There is only a slight marginal reduction in the burden hours projected for completing paperwork associated with the vehicle importation program over the next three years.

16. For collections of information whose results are planned to be published, outline plans for tabulation and publication.

The agency has no plans for statistical use of the information, and will use the information only to arrive at a decision regarding whether or not each RI or applicant for

RI status is in compliance with, or is likely to comply with, NHTSA rules governing the duties of an RI and the importation of nonconforming vehicles.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

NHTSA is not seeking such approval.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.

No exception is made to any of the items in the certification statement.

A. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection of information does not employ statistical methods.