

**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 from 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, Form HS-7A_Box10TransferApplication.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 has a project underway to permit 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. As part of this project, will be also allowed to store the information electronically, thereby reducing their storage costs. Pilot testing of the project with select RIs will began in mid-September, 2018.

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, 6 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 annual request to renew its registration. The agency receives, on average, 64 renewal applications per year from existing RIs.

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 March 2, 2018 (83 FR 9074). Three comments were received in response to the notice, none of which raised any pertinent issues. The first of these was from an individual identifying himself as a disabled rider with a doctor's order not to use seat belts. The second was from an unnamed individual using the initials "c.c." stating that Russia is attempting to use environmental activists to stop American oil and gas drilling. The third was likely from the same individual, in this instance using the initials "v.v.," observing that past administrations did not comply with transparency is making clean air rules. None of these appear to have merited a response from the agency. See attachment: 83 FR 9074.pdf.

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 1,045,243 entries will be made per 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 entries, 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 87,100 hours per year (0.08333 hours X 1,045,243 = 87,100 hours).

Box 2A Declarations

The agency projects that roughly 6,413,695 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 53,541 hours per year (6,413,695 vehicles X .9 = 5,772,325 vehicles imported by original manufacturers; 5,772,325 vehicles ÷

5,000 vehicles per declaration forms filed = 1,154 declaration forms being filed per year by manufacturers; assuming that a separate declaration is filed for each other vehicle imported under Box 2A yields 641,370 declarations being filed per year for these vehicles; $641,370 + 1,154 = 642,524$ declarations per year; 0.08333 hours to complete each declaration X $642,524$ declarations = $53,541$ hours).

Box 2B Declarations

The agency projects that roughly 1,629 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 136 hours per year ($1,629$ vehicles X 0.08333 hours per entry = 136 hours).

Box 3 Declarations

The agency projects that 109,000 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 9,083 hours (0.08333 hours to complete each HS-7 X $109,000$ vehicles = $9,083$ hours). In addition, assuming an importation volume of 109,000 vehicles per year, the hour burden associated with the completion of the HS-474 DOT conformance bond will be 10,900 hours (0.1 hours to complete each HS-474 X $109,000$ vehicles = $10,900$ hours).

Conformity Packages for Box 3 Entries

An RI must submit to NHTSA a conformity package for each nonconforming vehicle that it imports under Box 3. 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 36,266 nonconforming vehicles imported under Box 3 in 2013, 35,973, or roughly 99.2 percent, were Canadian market and 293, or roughly 0.8 percent, were from markets other than Canada. Of the 73,809 nonconforming vehicles imported under Box 3

in 2014, 73,467, or roughly 99.5 percent, were Canadian market and 342, or roughly 0.5 percent, were from markets other than Canada. Of the 216,812 nonconforming vehicles imported under Box 3 in 2016, 216,445, or roughly 99.8 percent, were Canadian market and 357, or roughly 0.2 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 54,200 hours per year (109,000 vehicles x 99.45 percent or 0.9945 = 108,400 vehicles; 108,400 vehicles x 0.5 hours per vehicle = 54,200 hours). The agency estimates the hour burden associated with the submission of conformity packages for non-Canadian vehicles to be 600 hours per year (109,000 vehicles x .55 percent or 0.0055 = 600 vehicles; 600 vehicles x 1.0 hours per vehicle = 600 hours). Adding these figures yields an estimated burden of 54,800 hours per year for the entire RI industry to compile and submit conformity packages to NHTSA on nonconforming vehicles imported under Box 3 (54,200 hours + 600 hours = 54,800 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 2013, 28 import eligibility petitions were submitted to the agency. Of these, 20, or 71 percent, were for vehicles with substantially similar U.S.-certified counterparts and 8, or 29 percent, were for vehicles for which there were no substantially similar U.S. certified counterparts. In 2014, 10 import eligibility petitions were submitted to the agency. Of these, 9, or 90 percent, were for vehicles with substantially similar U.S.-certified counterparts, and 1, or 10 percent, were for which there were no substantially similar U.S.-certified counterparts. In 2015, 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 vehicles for which there were no substantially similar U.S.-certified counterparts.

Assuming this trend continues in future years, the agency estimates that roughly 18 import eligibility petitions will be submitted each year, 85 percent of which, or 15 petitions, will be for vehicles with substantially similar U.S.-certified counterparts, and 15 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 42 hours per year (15 petitions x 2 hours per petition = 30 hours; 3 petitions x 4 hours per petition = 12 hours; 30 hours + 12 hours = 42 hours).

Box 4 Declarations

In 2013, 45,509 vehicles were imported for export only under Box 4. In 2014, 52,485 were imported and in 2015, the volume of Box 4 entries increased to 83,349.

Based on these figures, the agency projects that an average of 60,448 vehicles will be imported under Box 4 in each of the next three years. Based on that figure, the hour burden associated with the completion of the HS-7 Declaration form for these vehicles will be 5,037 hours (0.08333 hours to complete each HS-7 x 60,448 vehicles = 5,037 hours).

Box 5 Declarations

The agency estimates that roughly 300 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 25 hours (0.08333 hours to complete each HS-7 X 300 vehicles = 24.99 hours).

Box 6 Declarations

The agency estimates that roughly 14 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 1 hour (0.08333 hours to complete each HS-7 x 14 vehicles = 1.16 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. The application form asks the submitter to identify the purpose of the importation, and if on-road use of the vehicle or equipment item is requested, the applicant is asked to state the number of miles and why on-road use is required.

In 2013, 8,309 entries were made under Box 7. In 2014, 6,558 entries were made. In 2015, 7,319 were made. Permission letters were requested from NHTSA for 236 of the entries made in 2013, 312 of the entries made in 2014, and 336 of the entries made in 2015, representing roughly 4 percent of the total number of vehicles imported under Box 7 in those years. The remaining entries were for vehicles and equipment imported by original manufacturers of vehicles that are certified to the FMVSS, who can temporarily import nonconforming vehicles and equipment 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 three years, the agency projects that roughly 7,395 entries will be made under Box 7 in each of the next three years. Assuming that applications for NHTSA permission letters will be submitted for 4 percent of those entries, and that a single application will be filed for each entry, the agency estimates that 295 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 25 hours will be expended on an annual basis to submit applications for permission from NHTSA to import vehicles (other than those equipped with automated driving systems) and motor vehicle equipment under Box 7 (0.0833 hours per application X 295 applications = 24.58 hours). Assuming that a single HS-7 Declaration form is filed for each vehicle and equipment item imported under Box 7, the agency projects that under 617 hours will be expended on an annual basis in completing the declaration for vehicles imported under Box 7 (0.0833 hours per declaration X 7,395 entries = 616.23 hours).

If NHTSA receives a request for the temporary importation of a vehicle that incorporates novel technology not commonly found on vehicles in use in the United States, the agency may ask the applicant to furnish information beyond that requested in the application form posted to the agency's website. For example, if the applicant seeks to import a highly-automated vehicle, such as one equipped with automated driving systems (ADS), for testing or demonstration on public roads or involving use by members of the public, the agency may ask the applicant to identify whether the vehicle will be used exclusively by the importer's employees and contractors or also by members of the general public. In addition, the agency would ask the applicant to provide a description of the vehicle, including the extent to which it complies with applicable Federal motor vehicle safety standards. The agency would also ask whether a trained operator will be present at all times the vehicle is in operation, and whether the vehicle is equipped to be immediately stopped should a problem occur. The agency would also ask the applicant whether it intends to comply with State and local laws governing the operation of the vehicle and, where circumstances warrant, whether it is familiar with, and intends to adhere to Federal Automated Vehicle guidance. Owing to the additional information that needs to be furnished, these applications will take longer to complete than applications for vehicles that are not equipped with ADS. Based on the number of applications it has received to date, NHTSA estimates that it will receive 25 applications in each of the next three years for the temporary importation of vehicles with ADS, and NHTSA estimates that it will take each applicant ten hours to accumulate and furnish the information needed for each of these applications. Based on these estimates, the agency projects that approximately 250 hours will be expended each year submitting applications for permission from NHTSA to import vehicles with ADS under Box 7 (10 hours per application x 25 applications = 250 hours).

In addition, should NHTSA grant an application for permission to import a nonconforming vehicle with ADS for research or demonstration purposes, the agency may attach conditions to its grant of approval. Some of the conditions that would increase the paperwork burden for the importers include reporting requirements and disclosure and/or placarding requirements. For instance, all importers of vehicles equipped or to be equipped with ADS would be required to submit an annual report to NHTSA on the status of all vehicles imported for the research program that identifies, by VIN, all vehicles that remain in the United States, all vehicles removed from service and the reason(s) for their removal, and their disposition. Another condition would require importers to notify NHTSA anytime a vehicle is involved in a crash or other incident, including near misses and difficult edge cases that the ADS could not handle without

further modification, and provide copies of all accident reports concerning the occurrence prepared by State or local law enforcement authorities. NHTSA may also apply a condition requiring importers to affix a label to the interior and/or exterior of the vehicle warning prospective and actual occupants that the vehicle does not comply with all applicable FMVSS. The agency estimates that approximately 107 hours will be expended on an annual basis on these activities by all applicants who have been granted permission to import nonconforming vehicles with ADS for research or demonstration purposes. NHTSA estimates that 75 importers will submit annual reports (75 importers \times 1 hour to compile and submit each report = 75 hours), that 5 incidents will be reported to NHTSA each year (5 incidents \times 1 hour to submit each report = 5 hours), that 25 new importers will format placarding for placement in each imported vehicle (25 importers \times 1 hour to format a placard = 25 hours), and that 60 new vehicles will need to be placarded (60 vehicles \times 2 minutes to placard each vehicle = 2 hours) for a total of 107 additional burden hours. In addition, NHTSA estimates that each placard will cost manufacturers \$1 per vehicle, resulting in a total annual cost to the industry of \$60 for the placarding requirement (60 vehicles per year \times 1 placard per vehicle \times \$1 per placard = \$60).

Because of the additional information that must be collected and reviewed, it will normally take NHTSA longer to process a request for permission to import a vehicle with ADS for research or demonstration purposes than it takes the agency to process a request for permission to import a vehicle without such a system. That is especially true whenever permission is sought to operate the vehicle on public roads or in demonstrations involving members of the public. Whereas the agency will normally process a request for permission to import a non-ADS-equipped vehicle in less than one hour, it can take the agency up to ten hours to review and process the information submitted in support of an application to import an ADS-equipped vehicle for research or demonstration purposes. Based on the assumption that 25 applications for permission to import such vehicles will be submitted each year, the agency estimates that it will expend 250 hours in processing these applications (25 applications \times 10 hours = 250 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 2013, an application was submitted to NHTSA for 1 vehicle imported under Box 8. In 2014, 13 applications were filed. In 2015, 25 were filed. Based on these figures, the agency projects that 13 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 slightly

more than 1 hour will be expended in completing these applications (0.08333 hours X 13 applications = 1.08 hours).

In 2013, a total of 207,112 off-road vehicles and equipment items were imported under Box 8. In 2014, 335,281 off-road vehicles and equipment items were imported under that box. In 2015, 421,546 were imported. Averaging those figures, the agency projects that roughly 321,313 off-road vehicles and equipment items will be imported under Box 8 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 and equipment items will be 26,775 hours (0.08333 hours to complete each HS-7 x 321,313 entries = 26,775 hours).

Box 9 Declarations

The agency projects that roughly 37,415 vehicles requiring further 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 approximately 3,118 hours will be expended on an annual basis in completing the declaration for vehicles imported under Box 9 (0.0833 hours per declaration X 37,415 vehicles = 3,118 hours).

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 2013, the agency received zero applications to determine vehicles eligible for importation for purposes of show or display. In 2014, the agency received 2 such applications. In 2015, the agency received zero again. Averaging these figures, the agency projects that it will receive 1 application 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 10 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 2013, the agency received 23 applications to import specific vehicles for purposes of show or display. In 2014, the agency received 56 such applications. In 2015, the agency received 25. Averaging those figures, the agency estimates that it will receive roughly 35 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 35 hours will be expended in this activity in each of those years.

Box 11 Declarations

The agency estimates that 6,889 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 575 hours will be expended on an annual basis in making these entries for equipment imported under Box 11 (0.08333 hours per declaration X 6,889 declarations = 574.89 hours).

Box 12 Declarations

The agency projects that roughly 35 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 3 hours (0.08333 hours to complete each HS-7 X 35 vehicles = 2.92 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. The agency received requests to permit the importation of 26 vehicles under Box 13 in 2013, 9 in 2014, and 14 in 2015. Averaging these figures, the agency projects that roughly 16 vehicles will be imported under box 13 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 2 hours (0.08333 hours to complete each HS-7 X 16 vehicles = 1.33 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 2013, NHTSA received 4 applications for RI status. In 2014, the agency received 5 applications of this kind. In 2015, the agency received 10. Based on these figures, the agency anticipates that it will receive 6 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 60 hours will be expended in this activity for each of the next three years (6 applications x 10 hours = 60 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 increasing in recent years on account of the strengthening of the U.S. dollar against the Canadian dollar, and the concomitant increase in the volume of vehicles imported from Canada. In 2013, NHTSA received renewal packages from 62 RIs. In 2014, the agency received 66 renewal packages. In 2015, the agency received 65. Based on these figures, the agency anticipates that it will receive an average of 64 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 128 hours will be expended in this activity for each of the next three years (64 renewal applications X 2 hours = 128 hours).

Annual Request for Manufacturers to Identify Canadian-Certified Vehicles not Equipped with Compliant Tire Pressure Monitoring Systems

A vehicle that is certified by its original manufacturer as complying with all applicable Canadian motor vehicle safety standards can be lawfully imported under Box 3, provided the vehicle was originally manufactured to comply with the U.S. version of any safety standard for which there is no Canadian counterpart or that differs from the Canadian version of the standard. One standard adopted by the United States that has not been adopted by Canada is FMVSS No. 138 *Tire Pressure Monitoring Systems (TPMS)*. To assist Registered Importers in selecting vehicles that are eligible for importation, NHTSA publishes an RI Newsletter that lists Canadian-certified vehicles that were not originally manufactured to comply with FMVSS No. 138 and are therefore not eligible for importation into the United States. To aid in assembling this list, the agency requests information from the 20 major manufacturers that manufacture vehicles certified to the Canadian motor vehicle safety standards and offer substantially similar vehicles in the United States. These manufacturers are asked to identify, by model and model year, such vehicles that were not originally manufactured with a TPMS that met FMVSS No. 138, or for which a FMVSS No. 138-compliant TPMS was only available as optional equipment. NHTSA estimates that it takes each of these manufacturers two hours to

prepare the requested list, resulting in an annual expenditure for the entire industry of 40 hours to comply with the agency's requests.

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

Based on the above analysis, the agency projects that a total of 243,317 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 approximately \$11,694,555. This estimated annual cost is based on an loaded hourly cost of \$48.63 for the services of the professional or clerical personnel, primarily licensed customs brokers, who will be filing the HS-7 Declaration and related documentation.¹

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

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.

¹ Bureau of Labor Statistics: Occupational Employment Statistics. Classification: 13-1199 *Business Operations Specialists, All Other*. Accessed September 5, 2019. Rate adjusted by 29.9% to account for wages constituting 70.1% of total compensation.

Approximately 120 conformity packages can be stored in a cubic foot of space. Based on projected imports of 109,000 nonconforming vehicles per year, 908.33 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 \$18,167 per year.

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 2010, 17,645 ABI entries were made for nonconforming vehicles imported into the United States under Box 3, and only 365 paper HS-7 Declaration Forms (representing just two 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.

Pursuant to 49 U.S.C. § 30141(e), NHTSA establishes fees to recover direct and indirect costs (unassigned overhead) associated with the portions of this collection related to the RI program. The fees are established, enumerated, and defined in 49 CFR part 594, *Schedule of Fees*. These fees are established based on the personnel cost, both full-time and contractor, of review and handling information required under the RI-related portions of this collection, so stand as a reasonable proxy for cost to the government.

In calendar years 2016, 2017, and 2018, the agency collected an average aggregate of RI fees amounting to \$4,155,808.38 annually.² Additionally, the agency employs two full-time employees to handle and review the remaining portions of the collection. The additional GS-13 employees, at current general schedule rates, represent an additional $(2 \times 99,172) = \$198,344$ in wages, or approximately \$317,859 total, if wages constitute 62.4% of total compensation.³

Finally, the Federal Government is expected to incur approximately \$22,495 in additional costs as a result of changes in this collection. As stated above, the additional hour burden to the Federal Government attributable to review of requests for temporary import exemptions covering ADS-equipped vehicles is 250 hours annually. The hourly wage of a GS-14 step 1 employee reviewing these applications is \$56.15. This rate, when adjusted to

² CY 2016: \$4,592,745.54; CY 2017: \$4,071,348.00; CY 2018: \$3,803,331.60

³ 2019 General Schedule rate with Washington DC locality, available at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB_h.pdf . Adjusted to account for base salary constituting 62.4% of total compensation.

include taxes and other benefits not included in gross salary, becomes \$89.98, following the same methodology as above. The aforementioned GS-14 step 1 employees performing 250 hours of review annually costs $250 \times \$89.98 = \$22,495$.

On this basis, NHTSA estimates total annualized cost to the Federal Government to be approximately $(4,155,808 + 317,859 + 22,495) = \$4,496,162$.

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

Adjustments to items 13 and 14 are attributable in part to changes in the way the agency reviews applications for temporary importation of ADS-equipped, nonconforming motor vehicles. Those changes necessitated the increases in both hour burden and cost to the public described above.

In addition, since the information collection associated with NHTSA's importation program was last approved by OMB, significant changes have taken place that impact the information collection and the assessment of its burden on affected members of the public. These have resulted, in part, from the increasing strength of the U.S. Dollar against foreign currencies, particularly the Canadian dollar, which has led to a significant increase in the volume of vehicles imported from Canada. Another factor that has impacted the information collection is the transitioning in the filing of NHTSA-required import data from U.S. Customs and Border Protection's (CBP's) legacy Automated Commercial System (ACS) to the new Automated Commercial Environment/International Trade Data System (ACE/ITDS).

With its integration into ACE, which began on August 1, 2015 and was completed by July 28, 2016, NHTSA is receiving more accurate and complete information on the importation of the commodities it regulates. As a consequence, the volume of entries, in some instances, has greatly increased from the volume received in prior years. For example, the volume of entries for vehicles at least 25 years old that can be imported without regard to their compliance with the Federal motor vehicle safety standards (FMVSS) and equipment items manufactured prior to the date that any applicable standard has taken effect, both of which are declared under Box 1 on the HS-7 Declaration form, has increased by a factor of nearly two hundred, from roughly 13,000 entries in 2012 to nearly 2.5 million entries in 2015. There has been a 25 percent increase in the volume of vehicles conforming to the FMVSS that are imported under Box 2A, from 5.6 million in 2012 to nearly 7 million in 2015. The volume of vehicles not originally manufactured to the FMVSS that are imported by registered importers under Box 3 has increased more than sevenfold, from roughly 30,000 vehicles in 2012, to over 216,000 vehicles in 2015. More than 99 percent of these vehicles are imported from Canada, whose dollar, as previously indicated, has significantly weakened against the U.S. dollar. Perhaps influenced by the same factors, there has been nearly a doubling in the volume of Canadian-certified vehicles imported by individuals for personal use under box 2B, from 1,275 in 2012 to nearly 2,400 in 2015. There has been a fourfold increase in the volume of vehicles imported for export only under Box 4, from roughly 20,000 vehicles in 2012 to slightly more than 83,000 in 2015. The volume of nonconforming vehicles temporarily imported for research or demonstration purposes under Box 7 has increased by nearly 25 percent, from 6,000 vehicles in 2012 to 7,319 in 2015. Finally,

the volume of vehicles not originally manufactured for use on public roads that are declared as off-road vehicles not subject to the FMVSS under Box 8 has increased by nearly one third, from 326,000 in 2012 to 421,526.

The focus of NHTSA's importation program has traditionally been on vehicles that were not originally manufactured to comply with all applicable FMVSS. These vehicles must be imported by a registered importer (RI) under bond to ensure that the vehicles are brought into compliance with applicable standards following importation. Nonconforming vehicles are entered under Box 3 on the HS-7 Declaration form. In calendar year 2002, 212,210 nonconforming vehicles were imported under Box 3. Over 97 percent of those vehicles were imported from Canada. In 2003, after the U.S. dollar began to weaken against the Canadian dollar, the volume of nonconforming vehicle imports under Box 3 was reduced by more than half, to 97,337 vehicles. The trend accelerated over the next five years, with 43,648 vehicles imported under Box 3 in 2004, 12,642 imported in 2005, 10,953 imported in 2006, 7,470 imported in 2007, and 6,311 imported in 2008. After the U.S. dollar had gained some strength against the Canadian dollar, the volume of imports under Box 3 increased to 10,752 vehicles in 2009, and continued to increase to 18,010 vehicles in 2010, 22,733 vehicles in 2011, and 30,138 in 2012. In 2013, 36,292 vehicles were imported under Box 3. With the increasing strength of the U.S. dollar against the Canadian dollar, this figure more than doubled in 2014, when 73,814 vehicles were imported, and then tripled in 2015, when a record 216,814 were imported.

When NHTSA last requested OMB approval for the information collection associated with the vehicle importation program, the agency estimated that 23,600 nonconforming vehicles would be imported on an annual basis under Box 3, for which

HS-7 Declaration forms and HS-474 DOT Conformance bonds would have to be furnished. The agency estimated that it would take five minutes to complete each HS-7 Declaration form, and six minutes to complete each HS-474 DOT Conformance bond, for a total expenditure of 4,327 hours to complete these forms. Given the significant rise in nonconforming vehicle imports under Box 3 in recent years, future projections should assume an average of 109,000 vehicle imports per year. Relying on this figure, the hour burden associated with the completion of paperwork for these vehicles would be close to 19,873 hours (0.08333 hours to complete each HS-7 x 109,000 vehicles = 9,083 hours; 0.1 hours to complete each HS-474 x 109,000 vehicles = 10,900 hours; 9,083 + 10,900 = 19,983 hours). This represents nearly a 462 percent increase in burden hours associated with these entries when compared to the figures used when OMB approval was last obtained.

Cumulatively, the changes in the vehicle importation program detailed above have produced more than a four-fold increase in the hour burden associated with all aspects of the program, from an estimated 61,882 hours when OMB approval was last sought in 2013, to an estimated 252,622 hours in this document, as specified more fully above.

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

The agency has no plans to publish the results of the information collections described in this supporting statement.

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.