



July 5, 2019

*By regulations.gov*

National Highway Traffic Safety Administration (NHTSA)  
Docket Management Facility  
West Building, Room W12-140  
1200 New Jersey Avenue, SE  
Washington, DC 20590-0001

Re: Agency Information Collection Activities; Notice and Request for Comments; State Notification to Consumers of Motor Vehicle Recall Status; Doc. No. NHTSA-2019-0027

Ladies and Gentlemen:

The National Automobile Dealers Association (NADA) represents more than 16,000 franchised automobile and truck dealers who sell new and used motor vehicles and engage in service, repair and parts sales. Together they employ over 1,100,000 people nationwide, yet the majority are small businesses as defined by the Small Business Administration.

Last May, NHTSA requested comment on a new Information Collection Request (ICR) for a grant program entitled *State Notification to Consumers of Motor Vehicle Recall Status*.<sup>1</sup> Grant applicants must file OMB Standard Forms 424 ("Application for Federal Assistance"), 424A ("Budget Information for Non-Construction Programs") and 424B ("Assurances for Non-Construction Programs"). NHTSA estimates that it will take up to 160 hours to complete each application but expects to receive some 20 applications for up to six state pilot programs.<sup>2</sup>

In 2016, NHTSA launched a similar grant application process by issuing a Request for Information (RFI) seeking input on how those pilot programs should be designed.<sup>3</sup> The RFI was followed by a Request for Application (RFA) indicating that up to \$2,000,000 was being made available for up to six state pilot program grants. The authority for such grants is set out in Section 24105 of the Fixing America's Surface Transportation (FAST) Act.<sup>4</sup>

Apparently, only one completed grant application was received in response to the 2016 RFA. The Maryland Department of Transportation Motor Vehicle Administration (MMVA) received a pilot program grant in 2017 and in 2018 began to notify registered vehicle owners of any open

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<sup>1</sup> 84 Fed. Reg. 19992-4 (May 7, 2019).

<sup>2</sup> Grant applicants are expected to be state departments of motor vehicles (DMVs), the agencies responsible for titling and registering motor vehicles and for licensing motor vehicle operators, among other things.

<sup>3</sup> 81 Fed. Reg. 22367-8 (April 15, 2016).

<sup>4</sup> Pub. L. No. 114-94, § 24105 (2015).

(unremedied) federal safety recalls prior to their registration renewals. According to an April 2019 press release, MMVA's registration renewal defect notification program has achieved considerable success and has helped to enhance the rate of recall repairs.<sup>5</sup>

By law, vehicle manufacturers must send letters directly to the registered owners of vehicles subject to federal safety recalls.<sup>6</sup> In addition, franchised dealerships often communicate with local owners of recalled vehicles, stressing the importance of remedying safety recalls. Despite these and other efforts, the average federal safety recall has only a 75% remedy completion rate. Consequently, NADA supported the FAST Act's authorization for state notification pilot programs and is encouraged by the success of the MMVA pilot. NADA also supports NHTSA's intent to solicit a new round of applications for state recall notification pilot programs, especially given the "attention-getting" nature of state registration notices and the fact that registration renewals cover almost all vehicles with open recalls.

NADA is concerned by the lack of participation with respect to the 2016 pilot program grant application process. As noted above, the FAST Act authorized \$2,000,000 in funding for up to six state grants, yet only one state completed a grant application and engaged in a pilot. Perhaps MMVA's success will help encourage a greater number of approvable applicants this time around. In addition, to achieve better results NHTSA should:

- Review and, where possible reduce, the burdens associated with its grant application.
- Directly contact all state DMVs to inform them of the RFA.
- Discuss with the American Association of Motor Vehicle Administrators and with individual states how to address potential barriers to the filing of grant applications.

It is not clear to NADA why NHTSA is conducting an ICR process for a voluntary grant application program. Nonetheless, NADA urges NHTSA to take whatever steps possible to reduce grant application burdens and to encourage as many states as possible to engage in the process. On behalf of NADA, I thank NHTSA for the opportunity to comment on this matter.

Respectfully submitted,



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Chief Regulatory Counsel,  
Environment, Health and Safety

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<sup>5</sup><http://www.mva.maryland.gov/about-mva/press-releases/2019/MDOT%20MVA%20Marks%20First%20Anniversary%20of%20Vehicle%20Recall%20Safety%20Notice%20Program>. See also, <https://www.eyeonannapolis.net/2018/12/marylands-vehicle-recall-alert-program-a-success/>

<sup>6</sup> 49 U.S.C. §§30118 and 30119.