



441 G St. N.W.
Washington, DC 20548

B-325856

May 27, 2014

The Honorable John D. Rockefeller IV
Chairman
The Honorable John Thune
Ranking Member
Committee on Commerce, Science, and Transportation
United States Senate

The Honorable Fred Upton
Chairman
The Honorable Henry A. Waxman
Ranking Member
Committee on Energy and Commerce
House of Representatives

Subject: *Department of Transportation: National Highway Traffic Safety Administration: Federal Motor Vehicle Safety Standards; Rear Visibility*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Transportation, National Highway Traffic Safety Administration (NHTSA) entitled “Federal Motor Vehicle Safety Standards; Rear Visibility” (RIN: 2127-AK43). We received the rule on May 12, 2014. It was published in the *Federal Register* as a final rule on April 7, 2014. 79 Fed. Reg. 19,178.

The final rule expands the required field of view for all passenger cars, trucks, multipurpose passenger vehicles, buses, and low-speed vehicles with a gross vehicle weight of less than 10,000 pounds. NHTSA anticipates that this final rule will significantly reduce backover crashes involving children, persons with disabilities, the elderly, and other pedestrians who currently have the highest risk associated with backover crashes. Specifically, the final rule specifies an area behind the vehicle that must be visible to the driver when the vehicle is placed into reverse and other related performance requirements. NHTSA anticipates that, in the near term, vehicle manufacturers will use rearview video systems and in-vehicle visual displays to meet the requirements of this final rule.

The Congressional Review Act (CRA) requires a 60-day delay in the effective date of a major rule from the date of publication in the *Federal Register* or receipt of the rule by Congress, whichever is later. 5 U.S.C. 801(a)(3)(A). This final rule has a stated effective date of June 6, 2014. Compliance with the rule is required according to a phase-in schedule that begins on May 1, 2016; full compliance is required on May 1, 2018. The rule was published in the *Federal Register* on April 7, 2014, and received on May 12, 2014. 79 Fed. Reg. 19,178; 159 Cong. Rec. S3027 (May 14, 2014). Therefore, to the extent that the rule purports to have an effect starting June 6, 2014, the effective date in the rule, rather than as determined by the compliance phase-in schedule, it does not have the required 60-day delay in effective date.

Enclosed is our assessment of NHTSA's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Other than the 60-day delay, our review of the procedural steps taken indicates that NHTSA complied with the applicable requirements.

If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shirley A. Jones, Assistant General Counsel, at (202) 512-8156.

signed

Robert J. Cramer
Managing Associate General Counsel

Enclosure

cc: Milton E. Cooper
Program Analyst
Department of Transportation

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF TRANSPORTATION,
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
ENTITLED
"FEDERAL MOTOR VEHICLE SAFETY STANDARDS;
REAR VISIBILITY"
(RIN: 2127-AK43)

(i) Cost-benefit analysis

The National Highway Traffic Safety Administration (NHTSA) discussed the benefits and the costs of this final rule. NHTSA expects this rule to decrease the risks to children, persons with disabilities, and other pedestrians from being injured or killed in a backover crash. NHTSA predicts rear visibility systems meeting the requirements of this rule have an effectiveness of between 28 and 33 percent—substantially higher than other systems (e.g., sensor-only systems) that are currently available. Applying that estimated effectiveness to the latest information on the target population, NHTSA expects the aforementioned systems to save 58 to 69 lives each year (not including injuries prevented) once the entire on road vehicle fleet is equipped with systems meeting this rule's requirements (anticipated by approximately 2054). However, because NHTSA's latest information indicates that as much as 73 percent of new vehicles sold will have rearview video systems by 2018, the lives saved and injuries prevented by equipping the remaining 27 percent of vehicles are approximately a quarter of this total. Thus, NHTSA believes that there will still be 13–15 fatalities and 1,125–1,332 injuries prevented annually as a result of equipping the remaining 27 percent of vehicles. While NHTSA's estimated annual benefits, beginning in model year 2018 and not fully realized until 2054, will increase over time from the phase-in date as vehicles with these systems continue to make up an increasing percentage of the overall vehicle fleet. Taking into account that a larger portion of miles traveled by a given model year is achieved early in the overall life of that model year, NHTSA estimates that roughly two-thirds of the lifetime benefits for 2018 will be realized by 2028.

In addition to the fatalities and injuries prevented, NHTSA expects the systems meeting the requirements of this final rule to yield benefits over the lifetime of the vehicle as a result of avoiding property damage. While damage to rear visibility systems are a potential source of additional repair cost as a result of rear-end collisions, NHTSA calculates that these costs will be offset by the benefits realized by vehicle owners as a result of avoiding property-damage-only backing collisions and yield a net benefit between \$10 and \$13 per vehicle (over the lifetime of the vehicle). In monetary terms, the benefits that are a result from this final rule (i.e., not counting the systems already being installed by the automakers) are expected to be between \$265 and \$396 million annually when considering both fatalities/injuries prevented and the property-damage-only collisions avoided.

Further, NHTSA notes that there continue to be substantial benefits of this rule that are not easily quantifiable in monetary terms. It recognizes that victims of backover crashes are frequently the most vulnerable members of our society (such as young children, the elderly, or persons with disabilities). Further, NHTSA recognizes that most people place a high value on the lives of children and that there is a general consensus regarding the need to protect children

as they are unable to protect themselves. As backover crash victims are often struck by their immediate family members or caretakers, it is NHTSA's opinion that an exceptionally high emotional cost, not easily convertible to monetary equivalents, is often inflicted upon the families of backover crash victims.

NHTSA anticipates rear visibility systems will cost approximately \$43 to \$45 for vehicles already equipped with a suitable visual display and between \$132 and \$142 for all other vehicles. Accordingly, based on an annual new vehicle fleet of 16.0 million vehicles and considering the number of vehicles NHTSA anticipates will already have rear visibility systems by 2018, NHTSA believes the costs attributable to equipping the remaining 27 percent of vehicles (that are not projected to have rear visibility systems in 2018) will range from \$546 to \$620 million annually.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603-605, 607, and 609

NHTSA determined that this final rule will not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

NHTSA determined that this final rule will result in expenditures by the private sector of over \$100 million annually. Therefore it analyzed the benefits and costs of the rear visibility systems required under the rule for passenger cars, multipurpose passenger vehicles, trucks, buses, and low-speed vehicles with a gross vehicle weight rating of 10,000 pounds or less. NHTSA's analysis indicates that the final rule could result in private expenditures of up to \$1.7 billion annually. As part of the rulemaking process, NHTSA analyzed the expected benefits and costs of alternative countermeasure options, including mirrors, cameras, and sensors. It subjected several types of each class of countermeasure to effectiveness testing and cost-benefit analysis. NHTSA published and received comments on the technological solutions available, including requesting information on costs, benefits, and applications on all possible solutions to the safety concern. NHTSA used the comments it received in formulating the rule. NHTSA concluded that rearview video systems offer not only the highest overall benefits, but also the most efficient cost per life saved ratio. In addition, NHTSA has performed a probabilistic uncertainty analysis to examine the degree of uncertainty in its cost and benefit estimates and included that analysis in the regulatory impact analysis.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

On March 4, 2009, NHTSA published an advance notice of proposed rulemaking to solicit public comment on the current state of research and the efficacy of available countermeasures. 74 Fed. Reg. 9478. On December 7, 2010, NHTSA published a proposed rule. 75 Fed. Reg. 76,186. In response to the proposed rule, NHTSA received comments from a variety of commenters including trade associations, manufacturers, advocacy groups, parts suppliers, and individuals. NHTSA solicited comments from the public by holding a public hearing and a technical workshop. On March 2, 2011, NHTSA announced these events. 76 Fed. Reg. 11,417. The technical workshop was held on March 11, 2011, at NHTSA's Vehicle Research and Test Center in East Liberty, Ohio. The goal of this workshop was to provide a forum in which interested commenters could demonstrate their specific concerns with NHTSA's

proposed test procedure. The public hearing was held on March 23, 2011, at NHTSA's headquarters in the U.S. Department of Transportation in Washington D.C. This hearing provided an opportunity for the agency to hear from advocacy groups, organizations that provide rearview countermeasures, and the families of backover crash victims.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501-3520

NHTSA determined that this final rule contains an information collection requirement under the Act. The information collection requirement is entitled "Phase-In Production Reporting Requirements for Rear Visibility Systems." The respondents are manufacturers of passenger cars, multipurpose passenger vehicles, trucks, buses, and low-speed vehicles having a gross vehicle weight rating of 4,536 kg (10,000 pounds) or less. NHTSA estimates that there are approximately 21 such manufacturers and that the total annual burden will be 42 hours (2 hours per manufacturer per year). Two reports per manufacturer would be collected. NHTSA estimates that the total annual cost burden will be zero. NHTSA based this cost burden estimate on the determination that no additional resources would be expended by vehicle manufacturers to gather annual production information because they already compile this data for their own purposes.

Statutory authorization for the rule

NHTSA promulgated this final rule under the authority of sections 322, 30111, 30115, 30117, and 30166 of title 49, United States Code, and the delegation of authority in section 1.95 of title 49, Code of Federal Regulations.

Executive Order Nos. 12,866 and 13,563 (Regulatory Planning and Review)

NHTSA determined that this final rule is economically significant under the Order because it is likely to have an annual effect on the economy of \$100 million or more. The rule was reviewed by the Office of Management and Budget.

Executive Order No. 13,132 (Federalism)

NHTSA determined that this final rule will not have sufficient federalism implications to warrant consultation with state and local officials or the preparation of a federalism summary impact statement.