



U.S. Department of
Transportation

The Inspector General

Office of Inspector General
Washington, DC 20590

November 9, 2016

The Honorable John Thune
Chairman, Committee on Commerce,
Science, and Transportation
United States Senate
Washington, DC 20510

Dear Chairman Thune:

Thank you for your letter of October 26, 2016, requesting an assessment of the status of each recommendation from our June 18, 2015, report, *“Inadequate Data and Analysis Undermine NHTSA’s Efforts To Identify and Investigate Vehicle Safety Concerns”* (ST-2015-063). In that report, we made 17 recommendations to improve the National Highway Traffic Safety Administration’s (NHTSA) procedures for collecting and analyzing vehicle safety data and determining when to investigate potential safety concerns. NHTSA agreed to implement all the recommendations by June 30, 2016, but all recommendations remained open until NHTSA provided us with sufficient supporting evidence to demonstrate that the appropriate corrective actions were taken.¹

Since then, NHTSA has made considerable progress in addressing our recommendations. To date, NHTSA has completed action on 12 recommendations, which we have closed (see enclosure for an overview of NHTSA’s actions on the 12 closed recommendations). We continue to work with NHTSA to close the remaining open recommendations, which involve four complex and interrelated actions to improve early warning reporting (EWR) data (recommendations 1, 7, 8, and 9) and a quality control recommendation on NHTSA’s consumer complaint process (recommendation 11). At the end of September 2016, we received additional information from NHTSA on its actions planned or underway. Based on our review of this information, the following provides details on the current status of each open recommendation.

- Recommendation 1 calls for NHTSA to develop and implement a method for assessing and improving the quality of EWR data. In response, NHTSA has undertaken a number of initiatives to improve the quality of EWR data, including

¹ Under OIG policy, recommendations are not closed until the Department has taken appropriate corrective action and has provided us with sufficient supporting evidence to demonstrate that the action was taken.

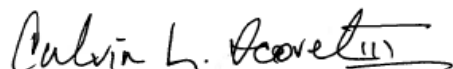
providing guidance to industry to improve the consistency of the data and reviewing manufacturers' procedures for collecting and submitting the data. Additionally, the Office of Defects Investigations (ODI) recently announced an external review of the EWR program and a pilot study to identify additional sources of EWR data. However, we have asked NHTSA to further explain how these activities constitute a method for assessing and improving the data.

- Recommendation 7 calls for NHTSA to develop an approach to determine which EWR test scores may provide statistically significant indications of potential safety defects. The intent was for NHTSA to develop criteria for gauging the significance of EWR test results. However, NHTSA has concluded that current EWR data cannot support the development of such criteria, and the Agency has engaged an external group to assess its statistical methodologies. If NHTSA's conclusion regarding EWR data is valid, developing criteria may not be feasible, and other actions may be needed that are outside the scope of our recommendation. To help us make that determination, we have asked NHTSA to provide us with the basis for its conclusions and to clarify the scope of the external group's efforts.
- Recommendation 8 calls for NHTSA to periodically assess the performance of EWR data tests using out-of-sample testing. However, until NHTSA effectively implements recommendation 7—to determine which EWR scores provide statistically significant indications of potential safety defects—this assessment is not useful. Closure of this recommendation will also depend on our understanding of the ongoing efforts of NHTSA and its external experts to improve EWR data and statistical analyses as detailed for recommendation 7.
- Recommendation 9 calls for NHTSA to institute periodic external expert reviews of the statistical tests used to analyze EWR data to ensure that these methods are up to date and in keeping with best practices. In response, NHTSA has engaged an external expert group to evaluate its statistical methodologies, whose findings are expected by the end of this calendar year. In addition, NHTSA has committed to engage future external expert reviews on a regular basis. We have asked NHTSA to clarify the scope of the current expert review before closing the recommendation.
- Recommendation 11 calls for NHTSA to develop and implement a quality control process to ensure thorough and timely review of consumer complaints. In response, NHTSA has proposed changes to its complaint screening procedures that are responsive to our recommendation. We will close the recommendation once NHTSA implements its proposed changes.

We are encouraged by NHTSA's efforts to address the five remaining open recommendations and are committed to continue working with the Agency as

appropriate in determining whether or when all actions are complete. We will keep the Committee informed of the progress with these recommendations. If you have any questions, please contact me at (202) 366-1959 or Nathan Richmond, Director and Counsel for Congressional and External Affairs, at (202) 493-0422.

Sincerely,

A handwritten signature in black ink that reads "Calvin L. Scovel III". The signature is written in a cursive style with a horizontal line underlining the name.

Calvin L. Scovel III
Inspector General

cc: Sen. Bill Nelson, Ranking Member
Committee on Commerce, Science, and Transportation

Enclosure

OVERVIEW OF NHTSA'S ACTIONS TAKEN TO CLOSE 12 OIG RECOMMENDATIONS

No.	Recommendation	Actions Implemented	Date Closed
2	Issue guidance or best practices on the format and information that should be included in non-dealer field reports to improve consistency and usefulness.	NHTSA created a non-dealer field report template and distributed it with clear guidance to manufacturers and other stakeholders.	4/14/16
3	Require manufacturers to develop and adhere to procedures for complying with EWR requirements; and require ODI to review these procedures periodically.	NHTSA developed and implemented procedures for assessing manufacturer practices for collecting and submitting EWR data. NHTSA also developed protocols for conducting periodic reviews of manufacturers' practices.	3/30/16
4	Expand current data verification processes to assess manufacturers' compliance with regulations to submit complete and accurate EWR data. At a minimum, this process should assess how manufacturers assign vehicle codes to specific incidents and how they determine which incidents are reportable.	ODI implemented internal control procedures to aid in identifying manufacturers who may not submit complete or accurate EWR data. These procedures require biweekly meetings between EWR screeners and their Division Chief to assess the quality of EWR submissions. The screeners are also required to conduct a quarterly cross-check of EWR data against other safety data to ensure that manufacturer's quarterly EWR submissions are complete and timely.	6/27/16

No.	Recommendation	Actions Implemented	Date Closed
5	Develop and implement internal guidance that identifies when and how to use oversight tools to enforce manufacturers' compliance with EWR data requirements.	ODI developed guidance that identifies enforcement tool available to EWR screeners and when they should use them. The guidance also requires that EWR screeners discuss the need to use enforcement tools in biweekly meetings with their Division Chiefs.	5/11/16
6	Provide detailed and specific guidance to consumers on the information they should include in their complaints, as well as the records they should retain (such as police reports and photographs) in the event that ODI contacts them for more information.	NHTSA upgraded its safecar.gov Website to: provide more guidance to consumers on submitting complaints, allow them to submit up to five documents (pictures, police reports, etc.) with their complaints, and encourages them to hold on to pertinent information for up to 5 years.	9/30/15
10	Implement a supervisory review process to ensure that all EWR data are analyzed according to ODI policies and procedures.	NHTSA requires each EWR screener and contractor to conduct biweekly meetings with the appropriate Division Chief to go over their processing of EWR data and to receive supervisory guidance as necessary.	4/18/16

No.	Recommendation	Actions Implemented	Date Closed
12	Update standardized procedures for identifying, researching, and documenting safety defect trends that consider additional sources of information beyond consumer complaints, such as special crash investigation reports and EWR data.	NHTSA implemented procedures for identifying, researching, and documenting safety defects that require screeners to consider other sources of data such as special crash investigation reports and EWR data.	6/20/16
13	Document supervisory review throughout ODI's pre-investigative process.	ODI agreed to conduct biweekly meetings between screeners and their Division Chiefs to discuss on-going issue evaluations and safety issues that the screeners are tracking, and for supervisors to provide guidance to their staff.	12/2/15
14	Evaluate the training needed by pre-investigative staff to identify safety defect trends; and develop and implement a plan for meeting identified needs.	ODI developed a training plan for pre-investigative staff and a tool to track staff training. Additionally, NHTSA designated a training coordinator to facilitate all aspects of the training program.	6/20/16
15	Develop guidance on the amount and type of information needed to determine whether or not to open an investigation.	ODI developed risk assessment matrices that take into account the frequency and hazard associated with potential safety concerns and criteria for when an issue must be upgraded to an investigation.	1/12/16

No.	Recommendation	Actions Implemented	Date Closed
16	Develop a process for prioritizing and assigning responsibility for monitoring issues tagged to be monitored.	NHTSA developed procedures that require issues tagged for monitoring to be assigned to the screener who established that issue evaluation. These procedures also require the appropriate Division Chief to reassign the issue in the event that a screener monitoring an issue leaves the agency.	6/27/16
17	Develop a process to enforce timeframes to determine whether or not to open an investigation.	NHTSA has developed procedures that give investigators 6 weeks to determine whether or not to open an investigation. If no decision is made within that period, the issue is automatically added to the agenda for the next defects assessment panel meeting. Timeliness of actions is now an element on Division Chiefs' performance evaluations.	2/9/16