

# National Motor Vehicle Title Information System (NMVTIS) Cost-Benefit Analysis *Project Summary Report*

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This briefing summarizes work the Logistics Management Institute (LMI) has completed for the National Institute of Justice (NIJ) regarding a cost-benefit analysis of the National Motor Vehicle Title Information System (NMVTIS).

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## NMVTIS Findings

- Both the NPV and B/C results are highly positive, and we conclude that further investments in NMVTIS can be supported from a cost-benefit point of view.
  - The more states that implement NMVTIS, the greater the benefits become, and the more expediently NMVTIS is implemented, the sooner benefits are realized.
  - The scenarios with national NMVTIS implementation with priority in states that have the most car thefts (Scenario 5B and Scenario 3) show the best realization of benefits.
  - Because the scenario rankings do not change for any of the sensitivity analyses, we conclude that the relative rankings are robust. Although estimates of future costs and benefits always contain uncertainty, we think we have established feasible boundaries

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Both the NPV and B/C results are highly positive and indicate that further investments in NMVTIS implementation are highly beneficial.

The more states that implement NMVTIS, the greater the benefits become. The sooner NMVTIS is implemented, the sooner states will realize benefits.

Our sensitivity analysis shows a wide range of potential results. We cannot predict the future with great certainty. However, we feel that we have established feasible boundaries of the likely results. And no matter which part of the calculated range is more likely to reflect reality, all indications are that NMVTIS is a high pay off investment.

## NMVTIS Findings (continued)

- We calculated the present value of net benefits, under various scenarios for the period 2001-2006, to range from \$0.6 billion to \$9.5 billion.
- We found the original cost estimates for implementing NMVTIS to be reasonable.

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We found that NMVTIS—if it is fully implemented in all 50 states and the District of Columbia, and if it is 100 percent effective—can achieve benefits in the range of \$4 billion to \$11.3 billion annually.

Because there are many obstacles to full national implementation, we evaluated the costs and benefits of NMVTIS over a range of scenarios.

In all of the scenarios investigated, we found the net benefits of NMVTIS to be substantial. After accounting for costs and benefits during 2001–2006, we calculated the present value of the net benefits to range from \$0.6 billion to \$9.5 billion (in year 2000 dollars).

We found the original cost estimates for implementing NMVTIS in the states and to establish a central management and coordination function at AAMVA to be reasonable.