DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–98–3355; Notice 2]

Red River Manufacturing, Inc.; Grant of Petition for Temporary Exemption From Federal Motor Vehicle Safety Standard No. 224

This notice grants the petition by Red River Manufacturing, Inc., of West Fargo, North Dakota (''Red River''), for a temporary exemption from Motor Vehicle Safety Standard No. 224, *Rear Impact Protection*. The basis of the petition was that compliance would cause substantial economic hardship to a manufacturer that has tried in good faith to comply with the standard.

Notice of receipt of the petition was published on February 2, 1998, and an opportunity afforded for comment (63 FR 5416).

Red River manufactures and sells several types of horizontal discharge trailers. One type is used in the road construction industry to deliver asphalt and other road building materials to the construction site. The other type is used to haul feed, seed, and agricultural products such as sugar beets and potatoes, from the fields to hoppers for storage or processing. Both the construction and agricultural trailers are known by the name ''Live Bottom.''

Standard No. 224 requires, effective January 26, 1998, that all trailers with a gross vehicle weight rating (GVWR) of 4536 Kg or more, including Live Bottom trailers, be fitted with a rear impact guard that conforms to Standard No. 223, *Rear impact guards*. Red River, which manufactured 265 Live Bottom trailers in 1996, has asked for an exemption of three years in order to develop a rear impact guard that conforms to Standard No. 223 and can be installed in compliance with Standard No. 224, while retaining the functionality and price-competitiveness of their trailers. In the absence of an exemption, it believes that approximately 50 percent of its work force would have to be laid off. Red River's gross revenues would decrease by an amount of between $4,000,000 to $5,000,000 (these revenues averaged $13,049,311 over its 1994, 1995, and 1996 fiscal years).

Present studies show that a retractable rear impact guard would likely catch excess asphalt and agricultural products as they were discharged into hoppers. Further, the increased cost of the Live Bottom, were it required to comply immediately, would likely cause contractors to choose the cheaper alternative of dump trailers. Finally, the increased weight of a retractable rear impact guard would significantly decrease the payload of the Live Bottom.

In mid 1996, Red River's design staff began exploring options for compliance with Standard No. 224. Through a business partner in Denmark, the company reviewed the European rear impact protection systems. Because these designs must be manually operated by ground personnel, they would not be acceptable to the applicant's American customers. Later in 1996, Red River decided to investigate powered retractable rear impact guards. The initial design could not meet the energy absorption requirements of Standard No. 223. The company is now investigating another design for retractable rear impact guards, which ''is being refined and analyzed.''

Red River believes that an exemption would be in the public interest and consistent with traffic safety objectives because the Live Bottom ''can be used safely where it would be hazardous or impractical to use end dump trailers, such as on uneven terrain or in places with low overhead clearances.'' These trailers are ''valuable to the agricultural sector'' because of the advantages they offer in the handling of relatively fragile cargo. An exemption ''would have no adverse effect on the safety of the general public'' because the Live Bottom spends very little of its operating life on the highway and the likelihood of its being involved in a rear-end collision is minimal. In addition, the design of the Live Bottom is such that the rear tires act as a buffer and reduce the likelihood of impact with the trailer.

In response to the **Federal Register** notice, one comment was received. Robert J. Crail of Knoxville, Tennessee, supported the petition.

Red River requested that the financial and production information that it provided with its petition be kept confidential because of the value it would afford competitors. NHTSA understands from Red River's attorney that the company's principal competitor in the manufacture of horizontal discharge trailers is Dan Hill & Associates, Inc. (''Dan Hill''). Dan Hill asked for and received a one-year exemption from Standard No. 224 on January 26, 1998 (63 FR 3784).

The fact that another manufacturer of a horizontal discharge trailer believes that it can comply with Standard No. 224 at the end of a one-year exemption supports the opinion of NHTSA engineers that conformance is feasible within a limited time frame. NHTSA has therefore concluded that Red River can achieve compliance of its horizontal discharge trailers within the same one-year period that another manufacturer of such trailers believes is reasonable. It is important that the public be afforded the protection that underride guards offer with no undue delay.

NHTSA is also mindful that a disparity in the duration of a temporary exemption could afford a competitive advantage to competing low volume manufacturers, causing hardship to one of them, and has therefore decided to consider that factor as well in its deliberations on Red River's petition. As noted above, Red River represented that, in the absence of an exemption, it might have to reduce its workforce by 50 percent, and that its gross revenues would decrease by $4,000,000 to $5,000,000. Gross revenues had averaged slightly over $13,000,000 in its 1994, 1995, and 1996 fiscal years. The comparable figures for Dan Hill are a reduction of 60 percent in workforce, and a decrease in gross revenues of $6,000,000. Gross revenues had averaged approximately $13,885,000 in the same fiscal years. Both manufacturers argued that immediate compliance would require such a rise in the price of their trailers that contractors would likely choose the cheaper alternative of dump trailers. Both manufacturers also explored the possibility of implementing systems designed in Europe. The principal difference between Red River and Dan Hill discernable to NHTSA is the number of horizontal discharge trailers that each manufactured in the year preceding the filing of their petitions, 265 by Red River and 86 by Dan Hill. These trailers represented 85 percent of Dan Hill's total production, and a somewhat lesser percent of Red River's (although NHTSA granted Red River confidential treatment to the total number of trailers it produces as well as a breakdown of the 265 trailers into construction and agricultural components, the data show that Red River manufactures substantially more horizontal discharge construction trailers than its direct competitor, Dan Hill). Granting Red River an exemption that would last two years longer than the exemption granted to Dan Hill might have the effect of providing Red River with an undue advantage, given the substantial similarity of their trailers, the modifications necessary to achieve compliance, and the financial condition of both companies. Thus, the facts, the equities, and motor vehicle safety all weigh towards granting Red River an exemption that does not last longer than the one granted to Dan Hill.

NHTSA notes that Red River's exemption request also covers a horizontal discharge agricultural trailer, a type that is not manufactured by Dan Hill. However, it does not appear that this type of trailer warrants a separate consideration or a longer exemption, given that Red River's petition states that ''the modifications required for agricultural Live Bottoms will be similar to those * * * [for] construction Live Bottoms.''

NHTSA has concluded that Red River has not made a convincing argument for an exemption of longer than one year. The petitioner describes its primary competition in terms of vehicle type as the ''steel end dump trailer'' which retails for about $7,000 less than the Live Bottom trailer. Red River has presented an estimated price increase range if compliance is to be achieved within one to two years, but has requested confidential treatment for it. While NHTSA cannot quote dollar figures for the estimated range of price increases, it can characterize the low end estimate as exceeding 10 percent of the retail price differential between steel end dump trailers and Live Bottoms. Such an increase would result ''in a projected loss of sales of approximately 10 percent.'' Given the 1996 base of 265 Live Bottoms, the estimated price increase were compliance to be required ''within one to two years'' could result, then, in a loss of 27 sales per year. NHTSA has concluded that this potential loss of sales does not constitute ''substantial economic hardship'' which would justify an exemption period that is longer than one year. The statute affords any manufacturer granted an exemption the right to apply for a renewal. If either Red River or Dan Hill discover that it requires further time for compliance, it may apply for an extension near the end of the exemption period.

NHTSA is in accord with Red River's public interest and safety arguments, that Live Bottoms possess advantages in certain uses over end dump trailers, and that much of its useful life is spent off the highway.

In consideration of the foregoing, it is hereby found that to require Red River Manufacturing, Inc., to comply immediately with 49 CFR 571.224, Standard No. 224 would cause substantial economic hardship to a manufacturer that has tried in good faith to comply with the standard, and that a one-year exemption would be in the public interest and consistent with the objectives of motor vehicle safety. Accordingly, Red River Manufacturing, Inc. is hereby granted NHTSA Temporary Exemption No. 98–3 from Federal Motor Vehicle Safety Standard No. 224, *Rear Impact Protection*, expiring April 1, 1999, applicable to Live Bottom horizontal discharge construction and agricultural trailers.

Authority: 49 U.S.C. 30113; delegation of authority at 49 CFR 1.50.

Issued: March 27, 1998.

Ricardo Martinez,

Administrator.

[FR Doc. 98–8514 Filed 3–31–98; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF THE TREASURY

Submission to OMB for Review; Comment Request

March 19, 1998.

The Department of Treasury has submitted the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Pub. L. 104–13. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments regarding this information collection should be addressed to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 2110, 1425 New York Avenue, NW., Washington, DC 20220.

DATES: Written comments should be received on or before May 1, 1998 to be assured of consideration.

Internal Revenue Service (IRS)

OMB Number: 1545–0757.

Regulation Project Number: LR–209–76 Final.

Type of Review: Extension.

Title: Special Lien for Estate Taxes Deferred Under Section 6166 or 6166A.

Description: Section 6324A permits the executor of a decedent's estate to elect a lien on section 6166 property in favor of the United States in lieu of a bond or personal liability if an election under section 6166 was made and the executor files an agreement under section 6324A(c).

Respondents: Individuals or households, Business or other for-profit.

Estimated Number of Respondents: 34,600.

Estimated Burden Hours Per Respondent: 15 minutes.

Frequency of Response: Other (nonrecurring).

Estimated Total Reporting Burden: 8,650 hours.

OMB Number: 1545–0959.

Regulation Project Number: LR–213–76 Final.

Type of Review: Extension.

Title: Estate and Gift Taxes; Qualified Disclaimers of Property.

Description: Section 2518 allows a person to disclaim an interest in property received by gift or inheritance. The interest is treated as if the disclaimant never received or transferred such interest for Federal gift tax purposes. A qualified disclaimer must be in writing and delivered to the transferor or trustee.

Respondents: Individuals or households.

Estimated Number of Respondents: 2,000.

Estimated Burden Hours Per Respondent: 30 minutes.

Frequency of Response: On occasion.

Estimated Total Reporting Burden: 1,000 hours.

OMB Number: 1545–1226.

Regulation Project Number: FI–59–89 Final.

Type of Review: Extension.

Title: Proceeds of Bonds Used for Reimbursement.

Description: The rules require record maintenance by a state or local government or section 501(c)(3) organization issuing tax-exempt bonds (''Issuer'') to reimburse itself for previously-paid expenses. This recordkeeping will establish that the issuer had an intent, when it paid an expense, to later issue a reimbursement bond.

Respondents: Not-for-profit institutions, State, Local or Tribal Government.

Estimated Number of Recordkeepers: 2,500.

Estimated Burden Hours Per Recordkeeper: 2 hours, 24 minutes.

Estimated Total Recordkeeping Burden: 6,000 hours.

Clearance Officer: Garrick Shear (202) 622–3869, Internal Revenue Service, Room 5571, 1111 Constitution Avenue, NW, Washington, DC 20224.

OMB Reviewer: Alexander T. Hunt (202) 395–7860, Office of Management and Budget, Room 10226, New Executive Office Building, Washington, DC 20503.

Lois K. Holland,

Departmental Reports Management Officer.

[FR Doc. 98–8473 Filed 3–31–98; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Submission for OMB Review; Comment Request

March 24, 1998.

The Department of Treasury has submitted the following public information collection requirement(s) to