Equipment Safety Commission and other agencies as it deems appropriate. Further, the Act mandates that in issuing any FMVSS, the agency considers whether the standard is ''reasonable, practicable and appropriate for the particular type of motor vehicles or item of motor vehicle equipment for which it is prescribed,'' and whether such standards will contribute to carrying out the purpose of the Act. The Secretary is authorized to revoke such rules and regulations as she/he deems necessary to carry out this subchapter.

Using this authority, the agency issued the original FMVSS No. 214, ''Side Door Strength,'' in October 30, 1970. On October 30, 1990, NHTSA amended FMVSS No. 214 to require dynamic side impact testing of passenger cars. The requirements was phased-in over a three-year period beginning on September 1, 1993. The title of the new standard is FMVSS No. 214 ''Side Impact Protection.''

Estimated Annual Burden: 936 hours.

Number of Respondents: 26.

(7) Title: Upper Interior Component Head Impact Protection Phase-in Reporting Requirements.

OMB Control Number: 2127–0581.

Affected Public: Business or other for-profit.

Abstract: 15 U.S.C. 1392 of the National Traffic and Motor Vehicle Safety Act of 1966, authorizes the isuance of Federal Motor Vehicle Safety Standards (FMVSS). The agency, in prescribing a FMVSS, is to consider available relevant motor vehicle safety data, and to consult with the Vehicle Equipment Safety Commission and other agencies as it deems appropriate. Further, the Act mandates that in issuing any FMVSS, the agency considers whether the standard is ''reasonable, practicable and appropriate for the particular type of motor vehicle or item of motor vehicle equipment for which it is prescribed,'' and whether such standards will contribute to carrying out the purpose of the Act. The Secretary is authorized to revoke such rules and regulations as she/he deems necessary to carry out this subchapter.

Using this authority, the agency issued the original FMVV No. 201 ''Occupant Protection in Interior Impact'' in 1967 for passenger cars. In 1979, the agency extended the standard to multipurpose passenger vehicles, trucks and buses with a GVWR of 10,000 pounds or less. Under the mandate of the National Highway Traffic Safety Administration Authorization Act of 1991, the agency has amended FMVSS No. 201 to require improved head protection in impacts against the vehicle upper interior components. The final rule proposes three alternative implementation plans at manufacturers' option (1) 100% effective, beginning September 1 or 1999, (2) 10%, 25%, 40%, 70% and 100% phase-in, beginning September 1 of 2002 for final stage manufacturers and alterers only. The phase-in plan requires all manufacturers to report achievement of annual production quotas for the first four years during the phase-in period. The report is due within the 60 days after August 31 or each production year. After the repoort is received, requirements will cease and no further report will be required.

Issued on: April 1, 1998.

L. Robert Shelton,

Associate Administrator for Safety Performance Standards.

[FR Doc. 98–8968 Filed 4–3–98; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–97–3268; Notice 2]

Panoz Auto Development Company; Grant of Application for Second Renewal of Temporary Exemption From Federal Motor Vehicle Safety Standard No. 208

This notice grants the application by Panoz Auto Development Company of Hoschton, GA., for a second renewal of its exemption from paragraph S4.1.4 of Federal Motor Vehicle Safety Standard No. 208 *Occupant Crash Protection*. The basis of the reapplication is that compliance will cause substantial economic hardship to a manufacturer that has tried to comply with the standard in good faith.

Notice of receipt of the application was published on December 30, 1997, and an opportunity afforded for comment (62 FR 67931).

Panoz received NHTSA Exemption No. 93–5 from S4.1.4 of Standard No. 208, an exemption for two years which was initially scheduled to expire August 1, 1995 (58 FR 43007). It applied for, and received, a renewal of this exemption for an additional two years, scheduled to expire on November 1, 1997 (61 FR 2866). On August 28, 1997, NHTSA received Panoz's application for second renewal, which was more than 60 days before the scheduled expiration date of its exemption. In accordance with 49 CFR 555.8(e), Panoz' filing of its application before the 60th day stays the expiration until the Administrator grants or denies the application for second renewal.

Panoz's original exemption was granted pursuant to the representation that its Roadster would be equipped with a Ford-supplied driver and passenger airbag system, and would comply with Standard No. 208 by April 5, 1995 after estimated expenditures of $472,000. As of April 1993, the company had expended 750 man hours and $15,000 on the project.

According to its 1995 application for renewal:

> Panoz has continued the process of researching and developing the installation of a driver and passenger side airbag system on the Roadster since the original exemption petition was submitted to NHTSA on April 5, 1993. To date, an estimated 1680 man-hours and approximately $50,400 have been spent on this project.

At that time, Panoz used a 5.0L Ford Mustang GT engine and five speed manual transmission in its car. Because ''the 1995 model year and associated emission components were revised by Ford'', this caused

> a delay in the implementation of the airbag system on the Roadster due to further research and development time requirements and expenditure of additional monies to evaluate the effects of these changes on the airbag adaptation program.

Shortly before filing its application for first renewal, Panoz learned that Ford was replacing the 5.0L engine and emission control system on the 1996 Mustang and other passenger cars with a modular 4.6L engine and associated emission components. The 1995 system did not meet 1996 On-Board Diagnostic emission control requirements, and Panoz was faced with using the 1996 engine and emission control system as a substitute. The majority of the money and man hours at that time had been spent on adapting an airbag system to the 5.0L engine car, and the applicant had to concentrate on adapting it to a 4.6L engine car. Panoz listed eight types of modifications and testing necessary for compliance that would cost it $337,000 if compliance were required at the end of a one-year period. It asked for and received a two-year renewal of its exemption.

However, Panoz found integration of the 4.6L engine into its existing chassis more difficult than anticipated, primarily because the 4.6L was 10 inches wider than the engine it replaced. This required a total redesign of the chassis, requiring expenditure of ''a significant amount of resources.'' Simultaneously, it designed the vehicle to allow for the integration of the Ford Mustang driver-side and passenger-side

airbag systems. Panoz describes these steps in some detail and estimates that between May 1995 and August 1997 it spent 2200 man-hours and $66,000 on these efforts. In the same time period, it spent $47,000 in static and dynamic crash testing of a 4.6L car related to airbag system development. Panoz concludes by describing the additional modifications and testing required to adapt the Ford system to its car. These costs total $358,000. A two-year renewal of its exemption would provide sufficient time to generate sufficient income (approximately $15,000 a month through sales of vehicles and private funding) to fund the modifications and testing.

Panoz sold 13 cars in 1993 and 13 more in 1994. It did not state its sales in 1995. Because of the effort needed to meet Federal emission and safety requirements, Panoz did not build any 1996 model year vehicles. It reports sales of 23 model year 1997 vehicles in the 12 months preceding its application for second renewal. At the time of its original petition, Panoz's cumulative net losses since incorporation in 1989 were $1,265,176. It lost an additional $249,478 in 1993, $169,713 in 1994, $721,282 in 1995, and $1,349,241 in 1996.

The applicant reiterated its original arguments that an exemption would be in the public interest and consistent with the objectives of traffic safety. Specifically, the Roadster is built in the United States and uses 100 percent U.S. components, bought from Ford and approximately 80 other companies. It provides employment for 45 full time and three part time employees. The Roadster is said to provide the public with a classic alternative to current production vehicles. It is the only vehicle that incorporates ''molded aluminum body panels for the entire car'', a process which continues to be evaluated by other manufacturers and which ''results in the reduction of overall vehicle weight, improved fuel efficiency, shortened tooling lead times, and increased body strength.'' With the exception of S4.1.4 of Standard No. 208, the Roadster meets all other Federal motor vehicle safety standards including the 1997 side impact provisions of Standard No. 214.

No comments were received on the application.

It is unusual for an applicant to request a second renewal of a temporary exemption. By the time the original exemption, or its extension, has expired, an applicant has either been able to bring the exempted vehicle into compliance or it has withdrawn from the market. The statute imposes no limitations on the number of renewals of temporary exemptions that may be granted, leaving the matter to the discretion of the Administrator in his findings. In this regard, NHTSA notes that Panoz has continually applied for two-year exemptions (rather than the three years it is entitled to under the hardship procedures), and that had it applied for three-year exemptions, its first renewal would be expiring at approximately the same time that its second renewal will.

The hardship factors that led to the initial grant and initial renewal of the exemption from S4.1.4 of Standard No. 208 remain. Production remains only a handful of vehicles, approximately 23 being manufactured under the extension to the original exemption. Panoz continues to manifest net losses in its income statements. Design and engineering difficulties continue because of the necessity to accommodate an engine not of its own manufacture. The same public interest and safety factors continue as well, including 100 per cent use of motor vehicle equipment manufactured in the United States, and employment for 45 full time and three part time employees.

In consideration of the foregoing, it is hereby found that to require immediate compliance with S4.1.5 (the now-appropriate paragraph) of Standard No. 208 would cause substantial economic hardship to a manufacturer that has tried in good faith to comply with Standard No. 208, and that a temporary exemption would be in the public interest and motor vehicle safety. Accordingly, Panoz Auto Development Company is hereby granted an extension of NHTSA Exemption No. 93–5 from S4.1.5 of 49 CFR 571.208 Standard No. 208 *Occupant Crash Protection*, expiring March 1, 2000.

(49 U.S.C. 30113; delegation of authority at 49 CFR 1.50.)

Dated: April 1, 1998.

Ricardo Martinez,

Administrator.

[FR Doc. 98–8967 Filed 4–3–98; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–98–3306; Notice 2]

Trinity Trailer Mfg., Inc.; Grant of Application for Temporary Exemption From Federal Motor Vehicle Safety Standard No. 224

This notice grants the application by Trinity Trailer Mfg., Inc. (formerly Farm Bed Mfg., Inc.), of Boise, Idaho, for a three-year temporary exemption from Motor Vehicle Safety Standard No. 224, *Rear Impact Protection*. The basis of the application 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 application was published in the **Federal Register** on January 15, 1998 (63 FR 2446).

Trinity Trailer (''Trinity'') manufactures and sells the ''Eagle Bridge,'' a self-unloading bulk trailer that has small conveyor belts at the lower rear of the trailer to unload potatoes and other agricultural products. The rear shaft mount for the conveyor belt protrudes 24 inches to the rear of the trailer so that cargo can drop onto another conveyor belt that is located at the unloading site. Because Standard No. 224 excludes a ''special purpose vehicle,'' Trinity had asked NHTSA on June 28, 1996, for an interpretation that the Eagle Bridge qualified for exclusion as a special purpose vehicle because the trailer was manufactured with ''work-performing equipment.''

On August 22, 1997, NHTSA replied that the Eagle Bridge was not excluded. Paragraph S4 of Standard No. 224 defines a special purpose vehicle as

> a trailer or semi-trailer having work-performing equipment * * * that, *while the vehicle is in transit*, resides in or moves through the area that could be occupied by the horizontal member of the rear underride guard * * *.

(Emphasis added). As NHTSA wrote the applicant,

> [t]he small conveyor belt of the Eagle Bridge at no time passes through the area where the horizontal member of the rear underride guard would be located, and it certainly does not do so while the vehicle is in transit.

Trinity received NHTSA's interpretation approximately seven months before the date for compliance. Standard No. 224 required, effective January 26, 1998, that all trailers with a GVWR of 4536 Kg or more be fitted with a rear impact guard that conforms to Standard No. 223, Rear impact guards.