part shall be rounded to the nearest tenth of one percent.

(c) A State identified under paragraph (a)(1) or (a)(2) of this section, and not ineligible under §1240.12(a)(2) of this part, shall receive an allocation of funds reflecting the Federal medical savings, in accordance with the procedures of §§1240.14 and 1240.15 of this part.

§ 1240.11 Determination of State seat belt use rate for calendar years 1996 and 1997.

(a) Review of State-submitted information. NHTSA will review available seat belt use rate information submitted by each State for calendar years 1996 and 1997 to determine whether—

(1) Measurements of seat belt use were based on direct observation;
(2) At least 70 percent of observation sites were surveyed during the calendar year for which the seat belt use rate is reported;
(3) All passenger motor vehicles were sampled; and
(4) All front seat outboard occupants in the sampled vehicles were counted.

(b) Determination of State seat belt use rate. Seat belt use rate information submitted by a State for calendar year 1996 or 1997 will be—

(1) Accepted as the State seat belt use rate if it satisfies paragraphs (a)(1), (a)(2), (a)(3), and (a)(4) of this section.
(2) Accepted after adjustment in accordance with the procedures of appendix A of this part, as the State seat belt use rate, if it satisfies paragraphs (a)(1) and (a)(2) of this section, but fails to satisfy paragraph (a)(3) or (a)(4) of this section.
(3) Rejected, and the procedures of appendix B of this part shall apply, if it fails to satisfy paragraph (a)(1) or (a)(2) of this section.

§ 1240.12 Determination of State seat belt use rate for calendar year 1998 and beyond.

(a) State seat belt use survey. (1) Beginning in calendar year 1998, State seat belt use rates used for determining allocations under this part shall be based on a survey conducted each calendar year by each State that satisfies all the requirements of part 1340 of this title (the Uniform Criteria for State Observational Surveys of Seat Belt Use).
(2) A State that does not conduct a survey required under paragraph (a)(1) of this section in any calendar year, or that conducts a survey that does not satisfy all the requirements of part 1340 of chapter III of this title, shall be ineligible for an allocation of funds on the basis of both §1240.10(a)(1) and §1240.10(a)(2) of this part during the second and third succeeding fiscal years (e.g., if a State fails to conduct a conforming survey in calendar year 1998, the State is ineligible for an allocation of funds during FY 2000 and FY 2001).

(b) Submission of survey information. (1) Each State shall submit to NHTSA, no later than March 1st after the calendar year during which a survey required under paragraph (a)(1) of this section is conducted, the seat belt use rate determined under the survey, reported as a percentage to one decimal place, accompanied by a survey report, consisting of all documentation identified in §1340.5 of chapter III of this title and summarizing the results of any analyses conducted under the survey.
(2) NHTSA will review a survey report submitted under paragraph (b)(1) of this section to determine whether the survey complies with all the requirements of §1340 of chapter III of this title. Written notice of approval or disapproval of a survey will be sent to the Governor’s Representative for Highway Safety within 30 days of receipt of the survey report. Any notice of disapproval will be accompanied by a detailed statement of the reasons for disapproval.
(3) A State may elect to submit a description of its proposed survey methodology, consisting of all documentation identified in §1340.5 (a), (b) and (c)(3) of chapter III of this title for advance review, prior to conducting the survey.
(4) NHTSA will review a proposed survey methodology submitted under paragraph (b)(3) of this section and inform the Governor’s Representative for Highway Safety in writing within 30 days of receipt of the proposed methodology whether the survey, if conducted in accordance with the methodology,
would comply with all the requirements of §1340 of chapter III of this title. Any notice indicating non-compliance will be accompanied by a detailed statement of the reasons.

(5) A State that submits a description of its proposed survey methodology under paragraph (b)(3) of this section continues to be required to submit all information required under paragraph (b)(1) of this section, after the State conducts its survey, for review under paragraph (b)(2) of this section.

(c) Submission of Certification—calendar year 1998 surveys. (1) A survey conducted by a State in calendar year 1998 shall be deemed to comply with the requirements of §1340 of chapter III of this title, if—

(i) The survey’s design was approved by the agency, in writing, on or after June 29, 1992, for the purposes of the grant program authorized under 23 U.S.C. 153;

(ii) The survey design has remained unchanged since the survey was approved (except to the extent that the requirements of paragraph (c)(1)(iii) constitute a change); and

(iii) The survey samples all passenger motor vehicles, measures seat belt use by all front seat outboard occupants in the sampled vehicles, and counts seat belt use only within the calendar year for which the seat belt use rate is reported.

(2) A State that meets the requirements of paragraph (c)(1) of this section shall submit a certification signed by the Governor’s Representative for Highway Safety, in the form prescribed by the information required under paragraph (c)(2) of this section.

(3) Written notice of acceptance or rejection of a certification will be sent to the Governor’s Representative for Highway Safety within 30 days of receipt of the information required under paragraph (c)(2) of this section. Any notice of rejection will be accompanied by a detailed statement of the reasons for rejection.

(d) Determination of State seat belt use rate. The seat belt use rate submitted by the State for a calendar year will be accepted as the State seat belt use rate for that calendar year if—

(1) It was determined under a survey whose survey report was approved under paragraph (b)(2) of this section; or

(2) For calendar year 1998 only, the State satisfies the requirements of paragraphs (c)(1) and (c)(2) of this section, and its certification is accepted under paragraph (c)(3) of this section.

§1240.13 Determination of national average seat belt use rate.

The national average seat belt use rate for a calendar year shall be the sum of the individual State seat belt use rates for all the States, after weighting each individual State seat belt use rate in accordance with the procedures of appendix D of this part.

§1240.14 Determination of Federal medical savings and notification of proposed allocations.

On or about September 1, 1998, and each September 1 thereafter, NHTSA will—

(a) Calculate, in accordance with the procedures in appendix E of this part, the Federal medical savings and each State’s share of those savings, due to the amount by which the State seat belt use rate for the previous calendar year—

(1) Exceeds the national average seat belt use rate for that calendar year, for each State described in §1240.10(a)(1) of this part; or

(2) Exceeds the State’s base seat belt use rate, for each State described in §1240.10(a)(2) of this part; and

(b) Notify the States described in §1240.10(c) of this part of their proposed allocations, which shall be equal to the amount of the Federal medical savings calculated under paragraphs (a)(1) and (a)(2) of this section, as applicable, reduced proportionately across all States if the allocations would exceed the total amount authorized for allocation during the fiscal year.

§1240.15 Allocations.

(a) Funds allocated under this part shall be available for any projects eligible for assistance under title 23, United States Code.

(b) Not later than 25 days after notification under §1240.14(b) of this part, the Governor’s Representative for