ACTION: Extension of comment period and notice of public meeting.

SUMMARY: This public notice is issued to familiarize the public with the status of the rulemaking effort on FAR Case 94–721, Truth in Negotiations Act and Related Changes (TINA), which implements the Federal Acquisition Streamlining Act of 1994 (FASA), to extend the period for public comment, and to provide notice of a public meeting. The TINA drafting team has made some refinements to the proposed rule that was published in the January 6, 1995, **Federal Register.** The revised coverage has been mailed to the public commenters on FAR Case 94–721 and copies may be obtained by other interested parties.

DATES: *Comment Date:* Comments should be submitted to the FAR Secretariat at the address shown below on or before July 19, 1995.

Meeting Date: The meeting will be held at 2:00 p.m. on July 7, 1995.

ADDRESSES: A copy of the revised coverage may be obtained by calling the FAR Secretariat at 202–501–4755. Interested parties should submit written comments to: General Services Administration, FAR Secretariat (VRS), 18th & F Streets, NW, Room 4037, Washington, DC 20405.

The public meeting will be held at: General Services Administration, National Capital Region Auditorium, 7th & D Streets, SW, Washington, DC 20407. Please cite FAR case 94–721 in all correspondence related to this case.

FOR FURTHER INFORMATION CONTACT: Mr. Al Winston, Truth in Negotiations Act (TINA) Team Leader, at (703) 602–2119 in reference to this FAR case. For general information, contact the FAR Secretariat, Room 4037, GSA Building, Washington, DC 20405 (202) 501–4755. Please cite FAR case 94–721.

SUPPLEMENTARY INFORMATION:

A. Background

On January 6, 1995, a proposed rule was published in the **Federal Register** (60 FR 2282). The proposed rule afforded the public a 60 day comment period. During that time, 40 organizations submitted more than 213 comments. A public meeting was also held on this rule on February 13, 1995. Based upon comments received, the TINA drafting team refined the coverage. Accordingly, a copy of revised coverage has been mailed to previous public commenters on FAR Case 94–721. The purpose of this notice is to advise the public generally of the availability of the revised coverage and enable other interested parties to obtain a copy by contacting the FAR Secretariat.

B. Case Summary

FAR case 94–721 implements Sections 1201 through 1210 and Sections 1251 and 1252 of FASA. Highlights include making TINA requirements for civilian agencies substantially the same as those for the Department of Defense (increasing the threshold for submission of ''cost or pricing data'' to $500,000 and adding penalties for defective pricing). Provisions are also included that increase the threshold for cost or pricing data submission every 5 years beginning October 1, 1995. New exceptions are added to the requirement for the submission of ''cost or pricing data'' for commercial items; approval levels for waivers are changed, and prohibitions are placed on acquiring ''cost or pricing data'' when an exception applies. The coverage includes a clear explanation of adequate price competition as required by the Act.

Also, FAR coverage has been included that addresses (1) ''information other than cost or pricing data'', (2) exemptions based on established catalog or market price, (3) inter-divisional transfers of commercial items at price, and (4) price competition when only one offer has been received.

The FAR language primarily modifies FAR Part 15, together with associated Part 52 clauses and Part 53 forms. However, some coverage addresses contract clauses where threshold changes are made in Part 14 pertaining to sealed bid contracting, and in Part 31 where the cost principle on material costs has been amended to address inter-divisional transfers of commercial items at price. Additional miscellaneous changes in Parts 4, 12, 15, 16, 31, 33, 36, 45, 46, 49, and 53 have also been included.

When a final rule is promulgated, it will also supersede the earlier FAR case 94–720 that was previously published as an interim rule in Federal Acquisition Circular (FAC) 90–22. FAR case 94–720 provided for an immediate increase of the threshold for ''cost or pricing data'' submission by contractors to civilian agencies to $500,000. FAC 90–22 (FAR case 94–720) also removed the certification requirement of commercial pricing for parts or components for contractors doing business with civilian agencies.

C. Summary of Changes

The following are highlights of changes that have been made to the proposed rule as a result of the written comments received during the comment period and other issues that were raised at the public hearing held on 13 February 1995:

- The coverage has been edited to improve readability.
- The hierarchical policy at FAR 15.802 has been clarified to ensure that it is consistent with TINA and FASA.
- Regulatory guidance implementing the catalog or market price exception to TINA has incorporated more flexible procedures (See FAR 52.215–41).

—The Standard Form (SF) 1412 is eliminated.
—Relational tests have been eliminated.
—Disclosure of lowest prices is no longer mandated.
—TINA-based postaward audit access is no longer required.
—Expanded guidance is provided on what constitutes substantial sales.
—Requirement for offerors to account for ''end users'' when addressing sales to the general public has been eliminated.
—Reference to GSA certifications for granting a prior exemption under FAR 15.804–1(c)(1)(ii)(B) is removed.

- Flexibility in requesting an exception to TINA is improved via a generic provision at FAR 52.215–41 that provides broad guidelines on the type of data that would be needed to qualify for a TINA exception.
- A ''Commercial Item'' definition cross-reference is given.
- A definition of ''cost realism'' has been added.
- Additional data requirements have been removed for qualification under the commercial item exception created by FASA (rebates, credits, warranties, and sales to resellers).
- Expanded guidance is provided on effective dates for certification of cost or pricing data.

E. Presentations at the Public Meeting

To allow the public to present its views on the refinements to this proposed rule, a public meeting will be held at the GSA National Capital Region Auditorium on July 7, 1995. Persons or organizations wishing to make presentations will be allowed 10 minutes to present their views, provided they notify the FAR Secretariat at (202) 501–4745 and provide an advance copy of their remarks not later than July 5, 1995.

Dated: June 13, 1995.

Edward C. Loeb,
Deputy Project Manager for the Implementation of the Federal Acquisition Streamlining Act.

[FR Doc. 95–14832 Filed 6–16–95; 8:45 am]
BILLING CODE 6820–JC–M

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Part 531

[Docket No. 95–45; Notice 1]

Passenger Automobile Average Fuel Economy Standards; Proposed Decision To Grant Exemption

AGENCY: National Highway Traffic Safety Administration (NHTSA), DOT.

ACTION: Proposed decision.

SUMMARY: This proposed decision responds to a petition filed by MedNet Incorporated requesting that it be exempted from the generally applicable average fuel economy standard of 27.5 miles per gallon (mpg) for model years 1996 through 1998, and that lower alternative standards be established. In this document, NHTSA proposes that the requested exemption be granted and that an alternative standard of 17.0 mpg be established for MY 1996, MY 1997, and MY 1998, for MedNet.

DATES: Comments on this proposed decision must be received on or before August 3, 1995.

ADDRESSES: Comments on this proposal must refer to the docket number and notice number in the heading of this notice and be submitted, preferably in ten copies, to: Docket Section, Room 5109, National Highway Traffic Safety Administration, 400 Seventh Street, S.W., Washington, DC 20590. Docket hours are 9:30 a.m. to 4 p.m., Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Ms. Henrietta Spinner, Office of Market Incentives, NHTSA, 400 Seventh Street, SW, Washington, DC 20590. Ms. Spinner's telephone number is: (202) 366–4802.

SUPPLEMENTARY INFORMATION:

Statutory Background

Pursuant to 49 U.S.C. section 32902(d), NHTSA may exempt a low volume manufacturer of passenger automobiles from the generally applicable average fuel economy standards if NHTSA concludes that those standards are more stringent than the maximum feasible average fuel economy for that manufacturer and if NHTSA establishes an alternative standard for that manufacturer at its maximum feasible level. Under the statute, a low volume manufacturer is one that manufactured (worldwide) fewer than 10,000 passenger automobiles in the second model year before the model year for which the exemption is sought (the affected model year) and that will manufacture fewer than 10,000 passenger automobiles in the affected model year. In determining the maximum feasible average fuel economy, the agency is required under 49 U.S.C. 32902(f) to consider:

(1) Technological feasibility
(2) Economic practicability
(3) The effect of other Federal motor vehicle standards on fuel economy, and
(4) The need of the Nation to conserve energy.

The statute at 49 U.S.C. 32902(d)(2) permits NHTSA to establish alternative average fuel economy standards applicable to exempted low volume manufacturers in one of three ways: (1) a separate standard for each exempted manufacturer; (2) a separate average fuel economy standard applicable to each class of exempted automobiles (classes would be based on design, size, price, or other factors); or (3) a single standard for all exempted manufacturers.

Background Information on MedNet

MedNet Incorporated (MedNet) is a small company that will produce the Dutcher Paratransit Vehicle (PTV). Dutcher Motors, Inc. (Dutcher), the previous manufacturer of these vehicles, was chartered in 1984 to manufacture a limited quantity of special purpose vehicles—Dutcher PTV. Since its establishment, Dutcher produced only two vehicles. MedNet recently acquired Dutcher's assets. Dutcher's willingness to sell to MedNet was based on its own inability to produce the Dutcher PTV vehicles. MedNet now intends to produce the Dutcher PTV. The Dutcher PTV is a large passenger car intended to be used in providing transportation for mobility-impaired individuals. MedNet intends to begin production of the Dutcher PTV in the summer of 1995 and anticipates manufacturing 100, 250, and 500 vehicles, respectively for MYs 1996, 1997, and 1998.

MedNet's Petition

On June 27, 1994, MedNet petitioned NHTSA for exemption from CAFE standards for model years (MYs) 1996, 1997, and 1998. MedNet's petition was filed less than 24 months prior to the beginning of model year 1996 as required by 49 CFR Part 525.6. The petition can be accepted late if ''good cause for late submission is shown'' as stated in 49 CFR 525.6. The reason for MedNet's late submission for MY 1996 is its recent acquisition of Dutcher Motors, Inc. (Dutcher) assets. Dutcher's willingness to sell to MedNet was based on its own inability to produce the Dutcher PTV vehicles. Thereafter, MedNet relocated Dutcher's equipment and parts from San Marcos, California to Battle Creek, Michigan. Because of new ownership and lack of knowledge of the required procedures of 49 CFR 525, MedNet believed that it was exempted from the standards based on Dutcher's prior exemption (56 FR 37478). Dutcher has filed several petitions requesting exemptions from the generally applicable CAFE standards for MYs 1986–1988 and MYs 1992–1995. Dutcher's most recent petition was submitted on December 5, 1990, requesting alternative standards for MYs 1992–1995. The agency granted the petition and established an alternate standard of 17.0 miles per gallon (mpg) for MYs 1992–1995.

Under the circumstances outlined above, NHTSA determines good cause is shown by MedNet for the submission of its untimely petition.

Classification of Dutcher PTV as a Passenger Automobile

Due to differences in the definitions used by this agency under the Cost Savings Act for CAFE purposes and the Environmental Protection Agency under the Clean Air Act for emissions control purposes, the Dutcher PTV is classified differently by these two agencies. The Environmental Protection Agency (EPA) classified the predecessor to the Dutcher PTV, the Transitaxi, as a ''light duty truck'' for emissions compliance due to that model's derivation from existing truck components. (40 CFR 86.02–2). However, NHTSA concluded that the Transitaxi was a ''passenger automobile'' for fuel economy purposes. Both the Transitaxi and the Dutcher PTV are passenger automobiles under the definition in 49 CFR 523.4 since each transports not more than 10 individuals and does not meet any configurational or usage criteria for light trucks given in 49 CFR 523.5. MedNet plans to produce the Dutcher PTV without substantial change from the design used by Dutcher for the Transitaxi. NHTSA therefore concludes that the Dutcher PTV to be produced in MY's 1996–1998 is a ''passenger automobile'' for fuel economy purposes.

Methodology Used To Project Maximum Feasible Average Fuel Economy Level for MedNet

Baseline Fuel Economy

To project the level of fuel economy which could be achieved by MedNet in MYs 1996–1998, the agency considered whether there were technical or other improvements that would be feasible for these vehicles, and whether or not the company currently plans to incorporate such improvements in the vehicles. The agency reviewed the technological feasibility of any changes and their economic practicability.

NHTSA interprets ''technological feasibility'' as meaning that technology which would be available to MedNet for use on its MY 1996 through 1998 automobiles, and which would improve the fuel economy of those automobiles. The areas examined for technologically feasible improvements were weight reduction, aerodynamic improvements, engine improvements, drive line improvements, and reduced rolling resistance.

The agency interprets ''economic practicability'' as meaning the financial capability of the manufacturer to improve its average fuel economy by incorporating technologically feasible changes to its MYs 1996 through 1998 automobiles. In assuming that capability, the agency has always considered market demand as an implicit part of the concept of economic practicability.

In accordance with the concerns of economic practicability, NHTSA has considered only those improvements which would be compatible with the basic design concepts of MedNet automobiles. Since NHTSA assumes that MedNet will continue to sell vehicles exclusively designed to be used for transporting the wheelchair bound or other mobility-impaired individuals, design changes that would impair the ability of the vehicle to perform this function were not considered. Such changes to the basic design would be economically impracticable since they might well significantly reduce the demand for these automobiles, thereby reducing sales and causing significant economic injury to the low volume manufacturer.

Technology for Fuel Economy Improvement

Due to MedNet's limited financial resources, small engineering staff, very low production volume, and assemblage of stock components, few opportunities for technological improvement for fuel economy exist. MedNet uses General Motors 3.8 liter electronically fuel injected V–6 engines and four speed automatic transmissions for its MYs 1996–1998 prototypes. Therefore, MedNet depends entirely on the supplier of the engine and drivetrain for technological improvements in fuel efficiency of the engine and drivetrain.

MedNet uses a four-speed automatic transmission with lockup torque converter clutch, one of the more efficient transmission designs. The constant velocity universal joints are a low friction design.

MedNet incorporates in its Dutcher PTV flush windows and door handles, a bottom cover, and a smooth front cowl, all of which reduce drag on the vehicle. MedNet's low dynamometer horsepower setting for certification testing, as shown in the table below, when compared to other small passenger vans and wagons, illustrates that the Dutcher PTV uses good aerodynamic design equivalent to current industry standards.

DYNAMOMETER SETTING COMPARISON

Model	Actual dynamometer horsepower
Dutcher PTV	12.5
Ford Aerostar*	11.2
GM Astro*	17.9
Toyota Previa*	14.0
Chrysler Caravan/Voyager*	11.8
Mercury Villager*	10.1
Chevrolet Caprice Wagon	8.5

*These vehicles are classified by EPA as light trucks.

To achieve maximum weight reduction, the body is made primarily of fiberglass.

MedNet's only significant opportunity for improvement will be the result of any improvements which GM decides for its own purposes to make in the engine and drivetrain it will supply for MedNet. MedNet's role will be limited to attempting to modify the drivetrain to meet emissions requirements.

Model Mix

Since only one vehicle model will be built for MY's 1996–1998, the MedNet corporate average fuel economy is based on the fuel economy of that one model, the Dutcher PTV, and cannot be averaged in with the fuel economy of any other models.

The Effect of Other Vehicle Standards

The new more stringent California emission standards enacted in MY 1995 and the similarly stringent Federal Clean Air Act Amendments will apply in MY 1996. MedNet may achieve lower fuel economy due to compliance with these standards. In addition, a portion of its limited engineering resources will have to be expended to comply with these more stringent emissions standards including, but not limited to, evaporative emission standards.

Federal safety standards also have an adverse effect on fuel economy of Dutcher PTV vehicles. These standards include 49 CFR Part 581 *Energy absorbing bumpers,* Standard No. 214 *Side impact protection,* and Standard No. 208, *Occupant crash protection.* These standards tend to reduce achievable CAFE levels, since they result in increased vehicle weight. As previously noted, MedNet is a small company, and engineering resources are limited. Priority must be given to meeting mandatory standards to remain in the marketplace.

The Need of the Nation to Conserve Energy

The agency recognizes there is a need to conserve energy, to promote energy security, and to improve balance of payments. However, as stated above, NHTSA has tentatively determined that it is not technologically feasible or economically practicable for MedNet to achieve an average fuel economy in MYs 1996 through 1998 above the levels set forth in this proposed decision. Granting an exemption to MedNet and setting an alternative standard at that level would result in only a negligible increase in fuel consumption and would not affect the need of the Nation to conserve energy.

Maximum Feasible Average Fuel Economy for MedNet

The agency has tentatively concluded that it would not be technologically feasible and economically practicable for MedNet to improve the fuel economy of its MY 1996 through 1998 above an average of 17.0 mpg for MY 1996, 17.0 mpg for MY 1997, and 17.0 mpg for MY 1998. Federal automobile standards would not adversely affect achievable fuel economy beyond the amount already factored into MedNet's projections, and the national effort to conserve energy would not be affected by granting the requested exemption and establishing an alternative standard.

Consequently, the agency tentatively concludes that the maximum feasible average fuel economy for MedNet is 17.0 mpg in MY 1996, 17.0 mpg in MY 1997, and 17.0 mpg in MY 1998.

NHTSA tentatively concludes that it would be appropriate to establish a separate standard for MedNet for the following reasons. For MY 1996, the agency has already granted petitions for an alternative standard of 14.6 mpg for Rolls-Royce. The agency has also received a petition from Rolls-Royce for an alternative standard for MY 1997. Therefore, the agency cannot use the second (class standards) or third (single standard for all exempted manufacturers) approaches for MYs 1996 and 1997. In order to avoid undue hardship to MedNet, given its limited ability to improve the fuel economy of its vehicles, the use of a single standard will be allowed by MY 1998 as well.

Regulatory Impact Analyses

NHTSA has analyzed this proposal and determined that neither Executive Order 12866 nor the Department of Transportation's regulatory policies and procedures apply. Under Executive Order 12866, the proposal would not establish a ''rule,'' which is defined in the Executive Order as ''an agency statement of general applicability and future effect.'' The proposed exemption is not generally applicable, since it would apply only to MedNet, Inc., as discussed in this notice. Under DOT regulatory policies and procedures, the proposed exemption would not be a ''significant regulation.'' If the Executive Order and the Departmental policies and procedures were applicable, the agency would have determined that this proposed action is neither major nor significant. The principal impact of this proposal is that the exempted company would not be required to pay civil penalties if its maximum feasible average fuel economy were achieved, and purchasers of those vehicles would not have to bear the burden of those civil penalties in the form of higher prices. Since this proposal sets an alternative standard at the level determined to be MedNet's maximum feasible level for MYs 1996 through 1998, no fuel would be saved by establishing a higher alternative standard. NHTSA finds that because of the minuscule size of the MedNet fleet, that incremental usage of gasoline by MedNet customers would not affect the nation's need to conserve gasoline. There would not be any impacts for the public at large.

The agency has also considered the environmental implications of this proposed exemption in accordance with the National Environmental Policy Act and determined that this proposed exemption if adopted, would not significantly affect the human environment. Regardless of the fuel economy of the exempted vehicles, they must pass the emissions standards which measure the amount of emissions per mile traveled. Thus, the quality of the air is not affected by the proposed exemptions and alternative standards. Further, since the exempted passenger automobiles cannot achieve better fuel economy than is proposed herein, granting these proposed exemptions would not affect the amount of fuel used.

Interested persons are invited to submit comments on the proposed decision. It is requested but not required that 10 copies be submitted.

All comments must not exceed 15 pages in length (49 CFR 553.21). Necessary attachments may be appended to these submissions without regard to the 15 page limit. This limitation is intended to encourage commenters to detail their primary arguments in a concise fashion.

If a commenter wishes to submit certain information under a claim of confidentiality, three copies of the complete submission, including purportedly confidential business information, should be submitted to the Chief Counsel, NHTSA, at the street address given above, and seven copies from which the purportedly confidential business information has been deleted, should be submitted to the Docket Section. A request for confidentiality should be accompanied by a cover letter setting forth the information specified in the agency's confidential business information regulation. 49 CFR part 512.

All comments received before the close of business on the comment closing indicated above for the proposal will be considered, and will be available for examination in the docket at the above address both before and after that date. To the extent possible, comments filed under the closing date will also be considered. Comments received too late for consideration in regard to the final rule will be considered as suggestions for further rulemaking action. Comments on the proposal will be available for inspection in the docket. NHTSA will continue to file relevant information as it becomes available in the docket after the closing date, and it is recommended that interested persons continue to examine the docket for new material.

Those persons desiring to be notified upon receipt of their comments in the rules docket should enclose a self-addressed, stamped postcard in the envelope with their comments. Upon receiving the comments, the docket supervisor will return the postcard by mail.

List of Subjects in 49 CFR Part 531

Energy conservation, Gasoline, Imports, Motor vehicles.

In consideration of the foregoing, 49 CFR part 531 would be amended to read as follows:

PART 531—[AMENDED]

1. The authority citation for part 531 would be revised to read as follows:

Authority: 49 U.S.C. 32902, delegation of authority at 49 CFR 1.50.

2. In § 531.5, the introductory text of paragraph (b) is republished for the convenience of the reader and paragraph (b)(12) would be added to read as follows:

§ 531.5 Fuel economy standards.

* * * * *

(b) The following manufacturers shall comply with the standards indicated below for the specified model years:

* * * * *

(12) MedNet, Inc.

Model year	Average fuel economy standard (miles per gallon)
1996	17.0
1997	17.0
1998	17.0

Issued on: June 14, 1995.

Barry Felrice,

Associate Administrator for Safety Performance Standards.

[FR Doc. 95–14904 Filed 6–16–95; 8:45 am]

BILLING CODE 4910–59–P

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49 CFR Parts 564 and 571

[Docket No. 95–47; Notice 1]

RIN 2127–AF65

Replaceable Light Source Information; Federal Motor Vehicle Safety Standards Lamps, Reflective Devices, and Associated Equipment

AGENCY: National Highway Traffic Safety Administration (NHTSA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice proposes to amend the Federal motor vehicle safety standard on lighting to allow high intensity discharge (HID) light sources to be used in replaceable bulb headlamp systems, in addition to their presently-allowed use in integral beam headlamp systems. Adoption of this amendment would require corresponding amendments to part 564, the regulation under which Docket No. 93–11 was established as a depository for replaceable light source information. However, if the life of the light source approaches that of the vehicle, as is the case with HIDs, interchangeability will no longer be so important. Therefore, NHTSA proposes adding regulations which would allow a manufacturer to submit fewer items of dimensional information if it can demonstrate that the average rated laboratory life of its light source is not less than 2,000 hours.

DATES: Comments are due on the proposal by August 18, 1995.

FOR FURTHER INFORMATION CONTACT: Kenneth O. Hardie, Office of Rulemaking (202–366–6987).

SUPPLEMENTARY INFORMATION: On April 8, 1994, NHTSA published a notice in