Proposed Rulemaking (see the June 6, 1996 **Federal Register**, 61 FR 28995–28998) and EPA received no adverse comments, this revision is also being issued as a direct final rule in the Final Rules section of this **Federal Register**.

DATES: Comments on the regulations proposed by this action must be received on or before March 6, 1998.

ADDRESSES: *Comments.* All written comments must be identified with the appropriate docket number (Docket No. A–96–19) and must be submitted in duplicate to U.S. Environmental Protection Agency, EPA Air Docket Section (6102), Waterside Mall, Room M1500, 1st Floor, 401 M St. SW, Washington, DC 20460.

Docket. Docket No. A–96–19, containing information considered during development of the promulgated standards and requirements in this proposal, is available for public inspection and copying between 8:30 a.m. and 3:30 p.m., Monday through Friday, at EPA's Air Docket Section at the above address. A reasonable fee may be charged for copying.

FOR FURTHER INFORMATION CONTACT: Kenon Smith, U.S. Environmental Protection Agency, Acid Rain Division (6204J), 401 M Street SW, Washington, DC 20460, (202) 564–9164.

SUPPLEMENTARY INFORMATION: If no significant, adverse comments are received by the close of the comment period, no further activity is contemplated in relation to this proposed rule and the direct final rule in the Final Rules section of this **Federal Register** will automatically go into effect on the date specified in that rule. If significant, adverse comments are received, they will be addressed in a subsequent final rule. Because the Agency will not institute a second comment period on this proposed rule, any parties interested in commenting should do so during this comment period.

For further supplemental information, and the rule revision, see the information provided in the direct final rule in the Final Rules section of this **Federal Register**.

List of Subjects in 40 CFR Part 73

Environmental protection, Acid rain, Air pollution control, Electric Utilities, Reporting and recordkeeping requirements, Sulfur dioxide.

Dated: January 29, 1998.

Carol M. Browner,

Administrator, U.S. Environmental Protection Agency.

[FR Doc. 98–2718 Filed 2–3–98; 8:45 am]

BILLING CODE 6560–50–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Part 531

[Docket No. NHTSA–97–3205; 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 joint petition filed by Lamborghini and Vector requesting that each company be exempted from the generally applicable average fuel economy standard of 27.5 miles per gallon (mpg) for model years 1998 and 1999, and that lower alternative standards be established. In this document, NHTSA proposes that the requested exemption be granted and that alternative standards of 12.4 mpg be established for MYs 1998 and 1999, for Lamborghini and Vector.

DATES: Comments on this proposed decision must be received on or before April 6, 1998.

ADDRESSES: Comments on this proposal must refer to the docket number and notice number in the heading of this document and be submitted, preferably in two copies, to: US Department of Transportation Docket Management, PL–401, 400 Seventh Street, S.W., Washington, DC 20590. Docket hours are 10:00 a.m. to 5:00 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 motor vehicle standards of the Government on fuel economy, and
(4) The need of the United States 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 Lamborghini and Vector

Vector Aeromotive Corporation (Vector) and Automobili Lamborghini S.p.A. (Lamborghini) are small automobile manufacturers that each produce a single model of high priced, uniquely designed exotic sport vehicles. Lamborghini is an Italian manufacturer of passenger cars, which concentrates exclusively on the production of high quality, high performance, prestige sports cars. Lamborghini currently produces one model, the Diablo. Vector, a domestic low volume manufacturer, also marketing exotic high performance sports cars, was originally founded as the ''Vector Car'' Company. The assets of Vector Car were purchased by the Vector Aeromotive Corporation in 1987, and Vector completed redesign and engineering of its first production car, the Vector W8. The W8 has been partially redesigned and is now sold as the Avtech/M12. Vector produced a total of 43 automobiles in the 1996 and 1997 model years while Lamborghini imported 54 cars into the U.S. in the same time period.

Need for a Joint Petition for Lamborghini and Vector

Although they manufacture different automobile lines, Lamborghini and Vector are both controlled by V-Power Corporation. V-Power is the largest shareholder of Vector, owning 57 percent of the stock; the remaining 43 percent of Vector is publicly traded on NASDAQ. V-Power also has a

controlling interest in Lamborghini, owning 50 percent of Lamborghini's stock. For MYs 1998 and 1999, Lamborghini's and Vector's combined worldwide production will be less than 10,000 automobiles. As both companies are controlled by V-Power, any alternative CAFE standard would apply to Lamborghini and Vector together, and a single petition can be submitted for a single alternative standard, applicable to the combined fleet of these companies.

NHTSA's regulations on low volume exemptions from CAFE standards state that petitions for exemption are to be submitted ''not later than 24 months before the beginning of the affected model year, unless good cause for later submission is shown.'' (49 CFR 525.6(b).)

NHTSA received a petition from Vector Aeromotive Corporation on August 14, 1996 seeking an exemption for Lamborghini and Vector for the 1998 model year. A second petition, seeking an exemption for the 1999 model year, was submitted by Lamborghini and Vector August 27, 1997.

These petitions were timely filed under 49 CFR 526.6(b). This section requires that petitions ''be submitted not later than 24 months before the beginning of the affected model year, unless good cause for late submission is shown.'' Agency action regarding the MY 1998 petition was delayed at the request of Lamborghini and Vector. Due to this delay, NHTSA is now acting on both the 1998 and 1999 model year petitions.

Methodology Used to Project Maximum Feasible Average Fuel Economy Level for Lamborghini/Vector

Baseline Fuel Economy

To project the level of fuel economy which could be achieved by Lamborghini/Vector in MYs 1998 and 1999, 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 Lamborghini/Vector for use on its MY 1998 and 1999 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 automobiles. In evaluating that capability, the agency has always considered market demand as an implicit part of the concept of economic practicability. Consumers need not purchase what they do not want.

In accordance with the concerns of economic practicability, NHTSA has considered only those improvements which would be compatible with the basic design concepts of Lamborghini and Vector automobiles. Since NHTSA assumes that Lamborghini and Vector will continue to build exotic high performance cars, design changes that would remove items traditionally offered on these cars, such as reducing the displacement of their engines, 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

The nature of Lamborghini and Vector vehicles generally do not result in high fuel economy values. Also, Lamborghini and Vector lag in having the latest developments in fuel efficiency technology because suppliers generally provide components and technology to small manufacturers only after supplying large manufacturers.

Lamborghini/Vector state that the requested alternative fuel economy value represents the best possible CAFE that Lamborghini/Vector can achieve for MYs 1998 and 1999. However, the joint alternative fuel economy values sought, 12.4 mpg, represents a decrease from 12.5 mpg in MY 1997. The fuel economy decrease from MY 1997 is attributed to Lamborghini/Vector's projection that Vector sales will increase in MY 1998 from the MY 1997 level and remain steady for MY 1999 while Lamborghini sales will remain constant. Therefore, fuel economy will decrease from the 1997 level because of the projected increased sales of Vectors, which have lower fuel economy values than Lamborghinis.

Despite these qualifications, the following describes how Lamborghini and Vector maximize their respective vehicles' fuel economy by using state of the art materials and technologies for their vehicles.

Lamborghini and Vector vehicles share a common engine designed and produced by Lamborghini. This engine is a 5.7 liter V–12 that produces 550 horsepower. Fuel is delivered to the engine through a computer-controlled multipoint fuel injection system. Aluminum alloy is used for all major castings like the engine crankcase, cylinder heads, induction manifold, gearbox, and axle. The Lamborghini V–12 is a highly efficient engine which produces extremely high output for its displacement. While the fuel efficiency of the Lamborghini and Vector vehicles could be improved through the use of a smaller engine, redesign or replacement of the current engine would require Lamborghini and Vector to invest resources in an endeavor which would most likely reduce the demand for their vehicles.

In keeping with the high performance character, Lamborghini and Vector vehicles are designed to provide a structure that is both strong and lightweight. Vector uses a semi-monocoque structure and a steel roll cage with body panels fabricated from carbon-reinforced composite fiber glass. Front suspension consists of independent, unequal length A-arms with concentric coil shock absorbers and anti-dive characteristics. Rear suspension is parallel link, concentric coil springs with anti-squat characteristics. The hydraulic brake system includes vacuum assist, quad cylinder calipers and ventilated discs.

The Lamborghini Diablo chassis uses space frame construction with the unstressed panels, such as the doors and trunk, made of aluminum alloy and plastic composite. Composite and steel beams were recently adopted for the energy absorbing bumpers.

All Lamborghini/Vector vehicles have a rear engine driving rear wheels through five speed manual transmissions in which fifth gear serves as an overdrive gear. Additionally, Vector vehicles are equipped with ZF transaxle and constant velocity driveshaft joints. Both Lamborghinis and the Vectors rely on wide low aspect ratio tires to provide maximum traction and performance.

Lamborghini/Vector vehicles achieve a very high level of performance by incorporating an efficient powerplant with a lightweight structure. Much of the technology used to improve fuel economy in other vehicles is already employed by Lamborghini/Vector to enhance performance. Any further improvements in fuel economy in these vehicles through the use of a smaller powerplant, tires with less rolling resistance, or lower axle ratios would be

contrary to the essential characteristics of the vehicles and their position in the marketplace.

Model Mix

The Vector Avtech/M12 and Lamborghini Diablo are similarly sized vehicles sharing a common V–12 engine. Therefore, any opportunity to improve fuel economy by changing model mix would be dependent on introduction of new models or engines. In any event, changing the model mix would have a negligible effect on fuel economy due to the inherently low fuel economy of these ultra high performance coupes.

The Effect of Other Vehicle Standards

Federal Motor Vehicle Safety Standards and other regulations have an adverse effect on fuel economies of Lamborghini and Vector vehicles. These standards include 49 CFR part 581, *Bumper Standard,* Standard No. 214, *Side impact protection,* Standard No. 208, *Occupant crash protection* and Standard No. 201, *Occupant protection in interior impact.* These standards tend to reduce achievable CAFE levels, since they result in increased vehicle weight. Engineering resources are necessarily devoted to meeting the standards, since, in order to remain in the market, Lamborghini/Vector must meet these mandatory standards.

The Need of the United States 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 Lamborghini/Vector to achieve an average fuel economy in MYs 1998 and 1999 above the levels set forth in this proposed decision. Granting an exemption to Lamborghini/Vector 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 United States to conserve energy. In fact, there would not be any increase since Lamborghini/Vector cannot attain the generally applicable standards. Nevertheless, the agency estimates that the additional fuel consumed by operating the MYs 1998 and 1999 fleets of Lamborghini/Vector vehicles at the projected CAFE of 12.4 mpg for MYs 1998 and 1999 is insignificant compared to the fuel used each day by the entire U.S. motor vehicle fleet for passenger cars in 1996.

Maximum Feasible Average Fuel Economy for Lamborghini/Vector

The agency has tentatively concluded that it would not be technologically feasible and economically practicable for Lamborghini/Vector to improve the fuel economy of their MY 1998 and 1999 fleets above an average of 12.4 mpg, and that the national effort to conserve energy would not be affected by granting the requested exemption and establishing an alternative standard.

Proposed Level and Type of Alternative Standard

NHTSA tentatively concludes that the maximum feasible average fuel economy for Lamborghini/Vector is 12.4 mpg in MY 1998 and 12.4 mpg in MY 1999. The agency also tentatively concludes that it would be appropriate to establish a separate standard for Lamborghini/Vector rather than to set standards for a vehicle class or a single standard for exempt manufacturers. Neither of these two options are available for the model years in question because of actions previously taken by the agency.

NHTSA has already established an alternative standard for Rolls Royce of 16.3 mpg for MYs 1998 and 1999. The agency has also granted a petition from Mednet, Inc. (successor company to Dutcher Motors) for an alternative standard of 17.0 mpg for MYs 1996–98. Therefore, the agency cannot set a standard for a class or a single standard for all exempted manufacturers for MYs 1998 and 1999.

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 Lamborghini Automobili and Vector Aeromotive 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 the maximum feasible levels for Lamborghini/Vector for MYs 1998 and 1999, no fuel would be saved by establishing a higher alternative standard. NHTSA finds in the Section on ''The Need of the United States to Conserve Energy'' that because of the small size of the Lamborghini/Vector fleet, the incremental usage of gasoline by Lamborghini/Vector's 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 two 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 two 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 after 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, Fuel economy, Gasoline, Imports, Motor vehicles.

In consideration of the foregoing, 49 CFR Part 531 is proposed to be amended as follows:

PART 531—[AMENDED]

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

Authority: 49 U.S.C. 32902; Delegation of authority at 49 CFR 1.50.

2. In section 531.5, the introductory text of paragraph (b) is republished for the convenience of the reader and paragraph (b)(10) would be revised 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:

* * * * *

(10) Automobili Lamborghini S.p.A./ Vector Aeromotive Corporation.

Model year	Average fuel economy standard (miles per gallon)
1995	12.8
1996	12.6
1997	12.5
1998	12.4
1999	12.4

* * * * *

Issued on: January 29, 1998.

L. Robert Shelton,

Associate Administrator for Safety Performance Standards.

[FR Doc. 98–2695 Filed 2–3–98; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 679

[I.D. 012798A]

RIN 0648-AJ87

Fisheries of the Exclusive Economic Zone Off Alaska; Halibut Donation Program

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of availability, request for comments.

SUMMARY: The North Pacific Fishery Management Council (Council) has submitted Amendment 50 to the Fishery Management Plan for Groundfish of the Gulf of Alaska and Amendment 50 to the Fishery Management Plan for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area (FMPs) for Secretarial review. These amendments would authorize the voluntary donation of Pacific halibut taken as bycatch in specified groundfish trawl fisheries off Alaska to economically disadvantaged individuals by tax-exempt organizations through a NMFS-authorized distributor. This action is intended to support industry initiatives to reduce regulatory discards in the groundfish fisheries by processing halibut bycatch for human consumption. These amendments are necessary to promote the goals and objectives of the FMPs that govern the commercial groundfish fisheries off Alaska. Comments from the public are requested.

DATES: Comments on Amendments 50/50 must be submitted by April 6, 1998.

ADDRESSES: Comments on the FMP amendments should be submitted to the Assistant Regional Administrator, Sustainable Fisheries Division, Alaska Region, NMFS, P.O. Box 21668, Juneau, AK 99802, Attn: Lori Gravel, or delivered to the Federal Building, 709 West 9th Street, Juneau, AK. Copies of Amendments 50/50 and the environmental assessment (EA) and related economic analysis prepared for the proposed action are available from NMFS, at the above address, or by calling the Alaska Region, NMFS at 907–586–7228.

FOR FURTHER INFORMATION CONTACT: Alan Kinsolving, NMFS, 907–586–7228.

SUPPLEMENTARY INFORMATION: The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) requires that each Regional Fishery Management Council submit any fishery management plan amendment it prepares to NMFS for review and approval, disapproval, or partial disapproval. The Magnuson-Stevens Act also requires that NMFS, after receiving a fishery management plan or amendment, immediately publish a document in the **Federal Register** that the fishery management plan or amendment is available for public review and comment. This action constitutes such notice for Amendments 50/50 to the FMPs.

Amendments 50/50 were adopted by the Council at its April 1997 meeting. The amendments would expand the existing Salmon Donation Program (SDP) to create a Prohibited Species Donation (PSD) program that would include halibut as well as salmon. This action would authorize the distribution of Pacific halibut taken as bycatch in the groundfish trawl fisheries off Alaska to economically disadvantaged individuals by tax-exempt organizations through a NMFS-authorized distributor. This action is necessary to reduce regulatory discards in the groundfish fisheries by processing halibut bycatch for consumption by economically disadvantaged individuals.

A proposed rule that would implement Amendments 50/50 may be published in the **Federal Register** for public comment, following NMFS' evaluation of the proposed rule under the Magnuson-Stevens Act procedures. Public comments on the proposed rule must be received by the end of the comment period on the FMP amendments to be considered in the approval/disapproval decision on Amendments 50/50. All comments received by April 6, 1998, whether specifically directed to Amendments 50/50 or the proposed rule, will be considered in the approval/disapproval decision. Comments received after that date will not be considered in the approval/disapproval decision on Amendments 50/50.

Dated: January 30, 1998.

Bruce C. Morehead,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 98–2748 Filed 2–3–98; 8:45 am]

BILLING CODE 3510–22–F