Estimated Annual Burden Hours: An estimated 1,066 hours annually.

Abstract: This information is needed to identify and track regulated entities required to implement anti-drug and alcohol misuse prevention programs as well as those companies that opt to implement programs. The respondents are aviation employees operating under 14 CFR parts 121, 135, and 145, Air traffic control facilities not operated by the FAA or the U.S. military, operators as defined in 14 CFR 135(c), and certain contractors.

ADDRESSES: Send comments to the FAA at the following address: Ms. Carla Mauney, Room 1033, Federal Aviation Administration, Information Systems and Technology Services Staff, ABA–20, 800 Independence Ave., SW., Washington, DC 20591.

Comments are invited on: Whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; the accuracy of the Department's estimates of the burden of the proposed information collection; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on respondents, including the use of automated collection or other forms of information technology.

Carla Mauney,

FAA Information Collection Clearance Officer, Information Systems and Technology Services Staff, ABA–20.

[FR Doc. 06–6140 Filed 7–11–06; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Notice of Intent To Request Revision From the Office of Management and Budget of a Currently Approved Information Collection Activity, Request for Comments; Flight Operational Quality Assurance (FOQA) Program

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice and request for comments.

SUMMARY: The FAA invites public comments about our intention to request the Office of Management and Budget (OMB) to approve a current information collection. FOQA is a voluntary program for the routine collection and analysis of digital flight data from airplane operations. The purpose is to enable early corrective action for potential threats to safety.

DATES: Please submit comments by September 11, 2006.

FOR FURTHER INFORMATION CONTACT: Carla Mauney on (202) 267–9895, or by e-mail at: *Carla.Mauney@faa.gov.*

SUPPLEMENTARY INFORMATION:

Federal Aviation Administration (FAA)

Title: Flight Operational Quality Assurance (FOQA) Program.

Type of Request: Revision of an approved collection.

OMB Control Number: 2120–0660.

Form(s): There are no FAA forms associated with this collection.

Affected Public: A total of 30 Respondents.

Frequency: The information is collected monthly.

Estimated Average Burden per Response: Approximately 1 hour per response.

Estimated Annual Burden Hours: An estimated 360 hours annually.

Abstract: FOQA is a voluntary program for the routine collection and analysis of digital flight data from airplane operations. The purpose is to enable early corrective action for potential threats to safety. This final rule codifies protection from punitive enforcement action based on FOQA information, and requires participating air carriers to provide aggregate FOQA data to the FAA.

ADDRESSES: Send comments to the FAA at the following address: Ms. Carla Mauney, Room 1033, Federal Aviation Administration, Information Systems and Technology Services Staff, ABA–20, 800 Independence Ave., SW., Washington, DC 20591.

Comments are invited on: Whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; the accuracy of the Department's estimates of the burden of the proposed information collection; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

Issued in Washington, DC, on July 6, 2006.

Carla Mauney,

FAA Information Collection Clearance Officer, Information Systems and Technology Services Staff, ABA–20.

[FR Doc. 06–6141 Filed 7–11–06; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–2006–25324, Notice 1]

Automobili Lamborghini SpA; Bugatti Automobiles S.A.S. and Bugatti Engineering GmbH; Group Lotus Plc; Morgan Motor Company Limited; Maserati Receipt of Applications for a Temporary Exemption From Advanced Air Bag Requirements of FMVSS No. 208

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

ACTION: Notice of receipt of petitions for temporary exemptions from provisions of Federal Motor Vehicle Safety Standard No. 208, *Occupant crash protection.*

SUMMARY: In accordance with the procedures in 49 CFR part 555, Automobili Lamborghini SpA (''Lamborghini''); Bugatti Automobiles S.A.S. and Bugatti Engineering GmbH (collectively, ''Bugatti''); Group Lotus Plc (''Lotus''); Morgan Motor Company Limited (''Morgan''); and Maserati SpA (''Maserati'') have separately petitioned the agency for a Temporary Exemption from certain advanced air bag requirements of Federal Motor Vehicle Safety Standard (FMVSS) No. 208, *Occupant crash protection.* The basis for each application is that compliance would cause substantial economic hardship to a manufacturer that has tried in good faith to comply with the standard.[1]

This notice of receipt of applications for temporary exemption is published in accordance with the statutory provisions of 49 U.S.C. 30113(b)(2). NHTSA has made no judgment on the merits of the applications. Please note that we are publishing the notice of receipt of the five applications together to ensure efficient use of agency resources and to facilitate the timely processing of the applications. NHTSA will consider each application separately. We ask that commenters also consider each application separately and submit comments specific to individual applications.

DATES: You should submit your comments not later than July 27, 2006.

FOR FURTHER INFORMATION CONTACT: Ed Glancy or Eric Stas in the Office of Chief Counsel at NHTSA NCC–112, 400 7th

[1] To view the applications, go to: *http://dms.dot.gov/search/searchFormSimple.cfm* and enter the docket number set forth in the heading of this document.

Street, SW., Room 5215, Washington, DC 20590 (Phone: 202–366–2992; Fax 202–366–3820).

Comments: We invite you to submit comments on the applications described above. We ask that the application from each manufacturer be considered separately and comments be submitted for individual manufacturers. You may submit comments identified by docket number at the heading of this notice by any of the following methods:

- *Web site: http://dms.dot.gov.* Follow the instructions for submitting comments on the DOT electronic docket site by clicking on ''Help and Information'' or ''Help/Info.''
- *Fax:* 1–202–493–2251.
- *Mail:* Docket Management Facility, U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL–401, Washington, DC 20590.
- *Hand Delivery:* Room PL–401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal Holidays.
- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov.* Follow the online instructions for submitting comments.

Instructions: All submissions must include the agency name and docket number or Regulatory Identification Number (RIN) for this rulemaking. Note that all comments received will be posted without change to *http://dms.dot.gov,* including any personal information provided.

Docket: For access to the docket in order to read background documents or comments received, go to *http://dms.dot.gov* at any time or to Room PL–401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal Holidays.

Privacy Act: Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (Volume 65, Number 70; Pages 19477–78) or you may visit *http://dms.dot.gov.*

We shall consider all comments received before the close of business on the comment closing date indicated below. To the extent possible, we shall also consider comments filed after the closing date.

I. Advanced Air Bag Requirements and Small Volume Manufacturers

In 2000, NHTSA upgraded the requirements for air bags in passenger cars and light trucks requiring what is commonly known as ''advanced air bags.'' [2] The upgrade was designed to meet the goals of improving protection for occupants of all sizes, belted and unbelted, in moderate to high speed crashes, and of minimizing the risks posed by air bags to infants, children, and other occupants, especially in low speed crashes.

The advanced air bag requirements were a culmination of a comprehensive plan that the agency announced in 1996 to address the adverse effects of air bags. This plan also included an extensive consumer education program to encourage the placement of children in rear seats. The new requirements were phased in beginning with the 2004 model year.

Small volume manufacturers are not subject to the advanced air bag requirements until September 1, 2006, but their efforts to bring their respective vehicles into compliance with these requirements began several years ago. However, because the new requirements were challenging, major air bag suppliers concentrated their efforts on working with large-volume manufacturers and thus, until recently, small volume manufacturers had limited access to advanced air bag technology. Because of the nature of the requirements for protecting out-of-position occupants, ''off-the-shelf'' systems could not be readily adopted. Further complicating matters, because small volume manufacturers build so few vehicles, the costs of developing custom advanced air bag systems compared to potential profits discouraged some air bag suppliers from working with small volume manufacturers.

The agency has carefully tracked occupant fatalities resulting from air bag deployment. Our data indicate that the agency's efforts in the area of consumer education and manufacturers' providing de-powered air bags were successful in reducing air bag fatalities even before advanced air bag requirements were implemented.

As always, we are concerned about the potential safety implication of any temporary exemptions granted by this agency. In the present case, we are seeking comments on five separate petitions for a temporary exemption from the advanced air bag requirements. The petitioners are all manufacturers of very expensive, low volume, exotic sports cars.

[2] See 65 FR 30680.

II. Petitioners for Economic Hardship Exemptions

In accordance with 49 U.S.C. 30113 and the procedures in 49 CFR part 555, Lamborghini, Bugatti, Lotus, Morgan, and Maserati have separately petitioned the agency for a Temporary Exemption from certain advanced air bag requirements of FMVSS No. 208. The basis for each application is that compliance would cause substantial economic hardship to a manufacturer that has tried in good faith to comply with the standard.

Each of the individual petitions are provided for review in the docket for this notice.

III. Statutory Background for Economic Hardship Exemptions

A manufacturer is eligible to apply for a hardship exemption if its total motor vehicle production in its most recent year of production did not exceed 10,000 vehicles, as determined by the NHTSA Administrator (49 U.S.C. 30113).

In determining whether a manufacturer of a vehicle meets that criterion, NHTSA considers whether a second vehicle manufacturer also might be deemed the manufacturer of that vehicle. The statutory provisions governing motor vehicle safety (49 U.S.C. Chapter 301) do not include any provision indicating that a manufacturer might have substantial responsibility as manufacturer of a vehicle simply because it owns or controls a second manufacturer that assembled that vehicle. However, the agency considers the statutory definition of ''manufacturer'' (49 U.S.C. 30102) to be sufficiently broad to include sponsors, depending on the circumstances. Thus, NHTSA has stated that a manufacturer may be deemed to be a sponsor and thus a manufacturer of a vehicle assembled by a second manufacturer if the first manufacturer had a substantial role in the development and manufacturing process of that vehicle.

IV. Lamborghini

Background. Lamborghini is an Italian corporation formed in 1963 to produce high-performance sports cars. This application concerns the Lamborghini Murcielago which was developed in the mid 1990s and is now scheduled to continue in production until 2009. Originally, Lamborghini planned to begin selling the Murcielago in 1999 and to end production before September 2006. Because of financial hardship and a change in corporate ownership, the

petitioner did not begin sales of Murcielago until the very end of 2001, and is now forced to extend the product cycle of this vehicle.

Lamborghini has experienced financial problems for several years. Over the last 4 years (2001–2004), the company lost more than 180 million dollars. Lamborghini claims this economic hardship precluded the timely development of a new vehicle that could comply with advanced air bag requirements. With respect to the Murcielago, Lamborghini also has been unable to overcome a number of engineering problems associated with installing advanced air bags in the current vehicle configuration. If the exemption is not granted, the Murcielago model cannot be sold in the U.S. during the period 2006–2009, which petitioner stated could further delay the introduction of a fully compliant vehicle. Lamborghini thus asks for a temporary exemption from the advanced air bag requirements for the Murcielago until it is replaced by a brand new vehicle in 2009.

Eligibility. Lamborghini's total motor vehicle production in the most recent year of production was less than 10,000 vehicles. However, in 1998, Lamborghini was acquired by Audi, a large motor vehicle manufacturer. In discussing its eligibility for hardship relief, Lamborghini asserts that its relationship with Audi is ''arm's-length.'' Lamborghini operates independently, and services provided by Audi or Audi affiliates are paid for by Lamborghini.

The agency examined the relationship between Lamborghini and Audi. We tentatively conclude that Lamborghini is eligible to apply for a temporary exemption based on the following factors. First, there is no similarity of design between the cars produced by Lamborghini and cars produced by Audi. Second, Lamborghini has indicated that it has paid for all services or assistance provided by Audi. Third, cars are imported and sold through separate distribution channels independent of the Audi dealer network. We note that our conclusions as to eligibility are tentative and the agency has not made a final determination as to whether Lamborghini is eligible to obtain an exemption.

Requested exemptions. Lamborghini states that it intends to certify the Murcielago as complying with the rigid barrier belted test requirement using the 50th percentile adult male test dummy set forth in S14.5.1 of FMVSS No. 208. The petitioner states that it previously determined the Murcielago's compliance with rigid barrier unbelted test requirements using the 50th percentile adult male test dummy through the S13 sled test using a generic pulse rather than a full vehicle test. Lamborghini states that it, therefore, cannot at present say with certainty that the Murcielago will comply with the unbelted test requirement under S14.5.2, which is a 25 mph rigid barrier test.

As for the Murcielago's compliance with the other advanced air bag requirements, Lamborghini states that it does not know whether the Murcielago will be compliant because to date it has not had the financial ability to conduct the necessary testing.

As such, Lamborghini is requesting an exemption for the Murcielago from the rigid barrier unbelted test requirement with the 50th percentile adult male test dummy (S14.5.2), the rigid barrier test requirement using the 5th percentile adult female test dummy (belted and unbelted, S15), the offset deformable barrier test requirement using the 5th percentile adult female test dummy (S17), the requirements to provide protection for infants and children (S19, S21, and S23) and the requirement using an out-of-position 5th percentile adult female test dummy at the driver position (S25).

Economic Hardship. Lamborghini states that over the last 4 years (2001–2004), it lost over $180 million with the yearly losses averaging ~ $47 million. Lamborghini asserts that, notwithstanding engineering impracticability described below, it could not afford to develop an advanced air bag system for the Murcielago and engineer its replacement by 2009. If the exemption is denied and U.S. sales of the Murcielago end on September 1, 2006, Lamborghini projects a loss of $12.7 million between September of 2006 and September of 2009.

Lamborghini estimates the total cost of an advanced air bag program to be about $24 million. Lamborghini states that the development of an advanced air bag system for the Murcielago's successor can be funded through the Murcielago's continued U.S. sales.

Lamborghini initially did not foresee that the Murcielago would still be in production when advanced air bags became mandatory. It was designed in the mid-1990s and was intended to be launched in 1999, with production ending in 2006. Due to financial hardship and changes in ownership, the Murcielago was not sold until late in 2001. Further financial hardship compounded by shifts in the exchange rate between the U.S. dollar and the Euro and the need to amortize costs of developing the Murcielago necessitate continued production of that vehicle until 2009.

Good faith efforts to comply. Once the petitioner realized that the Murcielago would have to continue beyond September 2006, Lamborghini undertook to development an advanced air bag system. As early as 2001, Lamborghini began contacting air bag manufacturers in an effort to develop a compliant advanced air bag system. It pursued this matter with at least four suppliers. However, none provided a workable solution. The efforts continued until the summer of 2005, at which point Lamborghini concluded that technical constraints prevented development of advanced air bags for the Murcielago. Specifics of the technical difficulties are described in the petition.

Lamborghini argues that an exemption would be in the public interest. The petitioner argues that the number of vehicles affected by an exemption would be very small and will therefore have, at most, a negligible impact on the overall safety of U.S. highways. Further, the Murcielago is likely to be operated only on a limited basis. Lamborghini also argues that granting an exemption will assure proper parts and service are available in the U.S. to support existing owners of Lamborghini automobiles. Finally, it argues that the Murcielago features other voluntarily provided safety features including a passenger air bag ''on-off switch,'' ABS, Traction Control System, and 4-wheel drive.

V. Bugatti

Background. Bugatti was a manufacturer of high performance motor vehicles from 1909 until the outbreak of World War II. In the past two decades, several attempts were made to revive the marquee. Finally, under the new ownership in 1998, the petitioner began designing a new vehicle called the Veyron 16.4 (Veyron). Only 300 vehicles are to be made, each costing in excess of $1,000,000. Bugatti originally planned to begin selling the vehicle in September of 2003 and end production before the advanced air bag requirements went into effect. However, significant development issues delayed production until September of 2005. The petitioner argues that it tried in good faith but could not bring the vehicle into compliance with the advanced air bag requirements, and would incur substantial economic hardship if it cannot sell approximately 100 vehicles in the U.S. after September 1, 2006.

Eligibility. Bugatti just began producing vehicles and its total production has not reached 100. However, in 1998, Bugatti was acquired by Volkswagen AG (VW), a large motor vehicle manufacturer. In discussing its eligibility for hardship relief, Bugatti asserts that its relationship with VW is ''arm's-length.'' Bugatti operates independently, and services provided by Bugatti affiliates were paid for by Bugatti.

The agency examined the relationship between Bugatti and VW. We tentatively conclude that Bugatti is eligible to apply for a temporary exemption based on the following factors. First, there is no similarity of design between the cars produced by Bugatti and cars produced by VW. Second, Bugatti operated independently from VW in designing and developing the Veyron. Third, almost all of the parts used in the Veyron production are obtained from suppliers that do not supply parts to VW. Lastly, when Bugatti has used test tracks or other facilities of VW in the course of developing the Veyron, it has reimbursed Volkswagen AG for the costs of those facilities on an ''arms-length'' basis. We note that our conclusions as to eligibility are tentative, and the agency has not made a final determination as to whether Bugatti would be eligible to obtain an exemption.

Requested exemptions. Bugatti stated its intention to certify compliance of the Veyron model, produced on and after September 1, 2006 for sale in the United States, with rigid barrier belted and unbelted test requirements using the 50th percentile adult male test dummy (S14.5.1 and S14.5.2), the rigid barrier test requirements using the 5th percentile adult female test dummy (belted and unbelted, S15), and the offset deformable barrier test requirement using the 5th percentile adult female test dummy (S17).

As for the other advanced air bag requirements, Bugatti states that it does not know whether the Veyron will be compliant as it has not had the financial ability to conduct the necessary development and testing.

Bugatti is requesting an exemption from the requirements to provide protection for infants and children (S19, S21, and S23) and the requirement using an out-of-position 5th percentile adult female test dummy at the driver position (S25).

Economic hardship. Publicly available information and also the financial documents submitted to NHTSA by the petitioner indicate that the Veyron project will result in financial losses whether or not Bugatti obtains a temporary exemption. At the time of the application, Bugatti had spent over $360 million on the Veyron project with little or no return on their investment. If the exemption is granted, Bugatti projects a net loss of $3.7 million. If the exemption is denied, Bugatti projects a net loss of $22.5 million. Further, denial of the petition would likely preclude the petitioner from developing new fully compliant vehicles. The petitioner argues that a denial of this petition could ultimately put Bugatti out of business.

Good faith efforts to comply. As stated above, Bugatti originally anticipated that all of the Veyrons destined for the U.S. market would be manufactured prior to September 1, 2006. As such, the company did not believe the vehicles would need to be equipped with advanced air bag systems. However, due to delays in completing the design and engineering of the vehicle, Bugatti did not begin production of the Veyron until the fall of 2005, nearly 2 years after the anticipated initial start date.

To install an advanced air bag system on the Veyron, modifications would be required to the steering wheel, the seats, the air bag system, the safety belts, the knee bolsters, and the instrument panel. Bugatti sought proposals from several potential suppliers for the development of an advanced air bag system for the Veyron, but received only one proposal. According to the petitioner, the proposal showed that the development and implementation costs for such a system was far beyond its current financial capabilities, particularly when considered in terms of amortizing those costs over a population of just 100 vehicles. The proposal indicated that total development, testing, and implementation of an advanced air bag system for the Veyron would cost over $12 million. More important, development would take at least 24 months, which would have required Bugatti to completely shut down its operations. The petitioner argued this scenario is not feasible for a manufacturer intending to produce a total of 300 vehicles. For further details, see the petition.

Bugatti argues that an exemption would be in the public interest. The petitioner put forth several arguments in favor of a finding that the requested exemption is consistent with the public interest. Specifically, Bugatti asserted that there is consumer demand in the U.S. for the Veyron, and granting this application will allow the demand to be met. Bugatti also states that granting the exemption will ''have negligible impact on motor vehicle safety because of the limited number of vehicles sold and because each vehicle is likely to travel on the public roads only infrequently.'' Further, Bugatti states that it is extremely unlikely that young children would often be passengers in this vehicle, and therefore permitting a vehicle to be sold without an air bag designed to protect small children is unlikely to have any adverse impact on safety. Finally, Bugatti indicates that the Veyron incorporates many safety features that are not required by the FMVSSs, including anti-lock brakes, electronic stability control, all-wheel drive, run-flat tires, and a dynamic rear spoiler that acts as a ''parachute brake'' during high speed emergency braking.

VI. Lotus

Background. Lotus, which was founded in 1955, produces small quantities of performance cars. The company has experienced significant financial hardship issues for many years. In 1998, Lotus began to develop a fully compliant vehicle for the U.S. market. However, due to lack of capital, the project was cancelled in 2001. The petitioner instead decided to sell a vehicle designed for the European market, the Lotus Elise, in the U.S. Prior to the U.S. launch of the Elise in 2004, Lotus requested and received a part 555 temporary exemption for the Bumper Standard and certain headlamp requirements. Over the last 18 months, the petitioner continued to experience economic hardship. Nevertheless, Lotus has worked on the development of compliant bumpers and headlamps at the cost of $27 million. These systems will be put into production in September 2006 and April 2007, respectively. However, the petitioner has been unable to develop an advanced air bag system for the Elise. According to Lotus, the sales of the fully complaint vehicle are slated to begin in 2008, but only if it is able to derive revenue from the U.S. sales of the Elise in the interim.

Eligibility. Lotus produced approximately 5,600 vehicles in 2005. The issue of Lotus' eligibility for a financial hardship exemption was previously addressed by NHTSA on three separate occasions.[3] Although Lotus is owned by Proton Holdings Berhad, Lotus remains an operationally independent small volume manufacturer and the material facts regarding its ownership have not changed.

Requested exemptions. Lotus states that its United States vehicle production on and after September 1, 2006 will

[3] See 64 FR 61379 (November 10, 1999); 68 FR 10066 (March 3, 2003); 69 FR 5658 (February 5, 2004).

comply with the rigid barrier belted test requirement using the 50th percentile adult male test dummy (S14.5.1). The petitioner states that it previously determined the Elise's compliance with rigid barrier unbelted test requirements using the 50th percentile adult male test dummy through the S13 sled test using a generic pulse rather than a full vehicle test. Therefore, Lotus states, it cannot at present say with certainty that the Elise would comply with the unbelted test requirement under S14.5.2, which is a 25 mph rigid barrier test.

As for the other advanced air bag requirements, Lotus states that it does not know whether the Elise would be compliant as Lotus has not had the financial ability to conduct the necessary research and development.

As such, Lotus is requesting an exemption for the Elise from the rigid barrier unbelted test requirement with the 50th percentile adult male test dummy (S14.5.2), the rigid barrier test requirement using the 5th percentile adult female test dummy (belted and unbelted, S15), the offset deformable barrier test requirement using the 5th percentile adult female test dummy (S17), the requirements to provide protection for infants and children (S19, S21, and S23) and the requirement using an out-of-position 5th percentile adult female test dummy at the driver position (S25).

Economic Hardship. Lotus has suffered substantial economic hardship for many years. In the past five years, its losses total almost $125 million. When Lotus successfully petitioned NHTSA for an exemption in 2004, it forecasted profits for fiscal years 2004 and 2005. However, these profits never materialized, and Lotus instead lost $13 million in 2004 and approximately $5 million in 2005.[4]

Lotus asserts that if the exemption is not granted, the company will be forced out of the U.S. market starting in September 2006 until sometime in 2008 for lack of any product to sell. Without an exemption, Lotus predicts losses totaling over $100 million in the next three years. Lotus argues that the cash required for Lotus to maintain a presence in the U.S. and to compensate its dealers for no product would not be sustainable. Further, there would not be funds to develop a new fully compliant vehicle. In short, the company could be forced entirely out of business.

Good faith efforts to comply. Lotus asserts that it has tried in good faith to comply with the advanced air bag requirements. The development work for advanced air bags did not begin until 2003 because Lotus was not originally planning on selling the Elise in the U.S. Instead a new fully compliant vehicle was intended to be sold in the U.S. That project was cancelled.

Lotus has been unable to acquire an ''off-the-shelf'' advanced air bag system. First, many existing advanced air bag designs, technical specifications, and tooling are the intellectual property of the original equipment manufacturer (OEM) and not the supplier. Lotus experienced reluctance to allow the transfer of this intellectual property for its use. Second, the passenger air bag size, inflator pressure, venting and deployment angle have been specifically designed for the original OEM vehicle crash pulse and interior geometry. Therefore, to source a passenger air bag requires reverse engineering, suiting the vehicles' interior package, and modifying the vehicle crash pulse to suit the OEM air bag. Third, the suppression option for compliance was not possible due to the lack of available sensor technology. Instead, to pursue the low risk deployment option, Lotus would need a top mounted passenger air bag. However, to package the top mounted passenger air bag in the Elise would require a complete redesign of a major structural part of the extruded aluminum chassis. At the location where the passenger air bag would need to be situated, there is a major structural cross beam that is bonded into the chassis. New tooling for the instrument panel would also be required along with a new air bag cover. The air bag cover would require a new unique design to overcome the issues of out-of-position, small occupant air bag deployments. Fourth, advanced air bag occupant classification systems require a compliant seat frame base. The Lotus Elise has a rigid shell seat with only a minimum level of foam; therefore, another technical solution would be required, such as seat frame weight sensors. Currently, this solution is under development by suppliers but is not now available as a production solution.

Lotus argues that an exemption would be in the public interest. First, Lotus asserts that the current Elise standard air bag system does not pose a safety risk. Lotus indicates that it knows of no injuries or deaths to infants, children, or other occupants caused by the Elise's current standard air bag system. Lotus further notes that the passenger seat is fixed in its rearmost position, thereby offering improved passenger safety. Lotus intends to use all available resources to try to engineer a passenger air bag on-off switch to be ready by September 2006. This switch will further reduce air bag risks to children.

Second, Lotus argues that denial of the petition would result in loss of jobs within Lotus and by independent dealers and repair specialists in the U.S. because the petitioner would be forced to abandon the U.S. market. Lotus also argued that consumer choice would be adversely affected.

VII. Morgan

Background. Founded in 1909, Morgan is a small privately owned vehicle manufacturer producing approximately 600 specialty sports cars per year. Morgan manufactures several models, but only sells the Aero 8 in the U.S. Morgan intended to produce a vehicle line specific to the U.S. market, with Ford supplying the engine and transmission. However, for technical reasons, the project did not work out, and Morgan temporarily stopped selling vehicles in the U.S. in 2004. In May of 2005, Morgan obtained a temporary exemption from the Bumper Standard and began selling the Aero 8 in the U.S. Morgan now asks for a temporary exemption from advanced air bag requirements because of financial hardship.

Eligibility. Morgan produces approximately 600 vehicles per year. Morgan is an independent company.

Requested exemptions. Morgan stated that it intends for its U.S. Aero production on and after September 1, 2006 to comply with the rigid barrier belted test requirement using the 50th percentile adult male test dummy (S14.5.1) and the rigid barrier belted test requirement using the 5th percentile adult female test dummy (S15.1).

Morgan states that the Aero's compliance with the rigid barrier unbelted test requirement using the 50th percentile adult male test dummy was determined through the S13 sled test using a generic pulse rather than a full vehicle test. This petitioner further states that it cannot at present say with certainty that the Aero would comply with the unbelted test requirement under S14.5.2, which is a 25 mph rigid barrier test.

As for the other advanced air bag requirements, Morgan states that it does not know whether the Aero would be compliant as Morgan has not had the financial ability to conduct the necessary development and testing.

Morgan is requesting an exemption for the Aero from the rigid barrier unbelted test requirement with the 50th percentile adult male test dummy (S14.5.2), the rigid barrier unbelted test

[4] Lotus also derives profits from engineering consulting for other small volume manufacturers. However, that business has declined. The weak dollar has also had a major effect on profits.

requirement using the 5th percentile adult female test dummy (S15.2), the offset deformable barrier test requirement using the 5th percentile adult female test dummy (S17), the requirements to provide protection for infants and children (S19, S21, and S23) and the requirement using an out-of-position 5th percentile adult female test dummy at the driver position (S25).

Economic Hardship. Morgan argues that meeting the advanced air bag requirements is estimated to cost between $3,196,179 and $5,066,938 and is not within the financial capability of the company.[5] Morgan's financial submission indicates the company's losses over the last 5 years have totaled more than 3.6 million dollars. In 2004, Morgan made a small profit for the first time in 3 years. Morgan predicted a net loss for fiscal year 2005 and will submit updated financial statements prior to the agency making a final decision on the petition.

Without an exemption, Morgan would be forced once again to withdraw from the U.S. market. With no income from U.S. sales, Morgan asserts that it will not be able to fund an advanced air bag program for a future vehicle or return to profitability. A loss of $8.6 million is projected. Morgan further asserts that if the petition is denied, it could soon become insolvent.

Good faith efforts to comply. Morgan has been working with the air bag supplier Siemens to develop an advanced air bag system for the Aero 8. However, a lack of funds and technical problems precluded the implementation of an advanced air bag system for the Aero 8. The minimum time needed to develop an advanced air bag system (provided that there is a source of revenue) is 2 years. With no other product to sell in the meantime, Morgan needs to rely on the Aero 8 sales to finance this project.

Specific technical challenges include the following. Morgan does not have access to necessary sensor technology to pursue the ''full suppression'' passenger air bag option. Due to the design of the Aero 8 platform dashboard, an entirely new interior solution and design must be developed. Chassis modifications are anticipated due to the originally stiff chassis design.

Morgan argues that an exemption would be in the public interest. Morgan put forth several arguments in favor of a finding that the requested exemption is consistent with the public interest. Specifically, Morgan asserts the current Aero 8's standard air bag system does not pose a safety risk. Morgan knows of no injuries caused by the Aero 8's current standard air bag system. If the exemption is denied and Morgan stops U.S. sales, Morgan's U.S. dealers would unavoidably have numerous lay-offs, resulting in decreased U.S. unemployment. Denial of an exemption would reduce the consumer choice in the specialty sports car market sector into which Morgan cars are offered. The Aero 8 will not be used extensively by owners, and is unlikely to carry small children. Finally, according to Morgan, granting an exemption would assure the continued availability of proper parts and service support for existing Morgan owners. Without an exemption, Morgan would be forced from the U.S. market, and Morgan dealers will find it difficult to support existing customers.

VIII. Maserati

Background. Maserati is a small volume Italian automobile manufacturer formed in 1914 that produces performance sports cars and luxury automobiles. Maserati has experienced frequent changes in ownership and financial hardship. The exemption is being sought for the Maserati Coupe and Spyder for a period of 16 months.

Eligibility. Maserati produced less than 6,000 vehicles in the most recent year of production. However, Maserati is owned by Fiat, a large vehicle manufacturer. Maserati asserts that its relationship with Fiat is ''arm's-length.'' Maserati operates independently, and services provided by Fiat are paid for by Maserati.

The agency examined the relationship between Maserati and Fiat. We tentatively conclude that Maserati is eligible to apply for a temporary exemption based on the following factors. First, there is no similarity of design between the cars produced by Maserati and cars produced by Fiat, and the Maserati Coupe/Spyder was designed without assistance from Fiat. Second, Maserati cars are imported and sold through separate distribution channels independent of Fiat, which does not sell vehicles in the U.S. We note that our conclusions as to eligibility are tentative, and the agency has not made a final determination as to whether Maserati is eligible to obtain an exemption.

Requested exemptions. Maserati stated that it intends for the Coupe/Spyder produced for the United States market on and after September 1, 2006 to comply with the rigid barrier belted and unbelted test requirements using the 50th percentile adult male test dummy (S14.5)

As for the Coupe/Spyder's compliance with the other advanced air bag requirements, Maserati states that it does not know whether the Coupe/Spyder will be compliant as it has not had the financial ability to conduct the necessary development and testing.

Accordingly, Maserati is requesting an exemption from the rigid barrier test requirement using the 5th percentile adult female test dummy (belted and unbelted, S15), the offset deformable barrier test requirement using the 5th percentile adult female test dummy (S17), the requirements to provide protection for infants and children (S19, S21, and S23) and the requirement using an out-of-position 5th percentile adult female test dummy at the driver position (S25).

Economic hardship. Over the period of 2000–2005, the company lost 320,996,665 Euros ($385,195,998)[6]. The petitioner argues that an exemption is needed in order to avoid massive disruptions to the Maserati production system and loss of revenue until a fully-compliant model is introduced in early 2008. The exempted-vehicles will ''bridge the gap'' between the current Coupe/Spyder, with standard air bags, and the next version of the model line arriving in 2008 with advanced air bags. If the exemption is denied, the petitioner anticipates layoffs and a delay in introducing a new, fully complaint vehicle.

Good faith efforts to comply. Maserati states that it has been unable to overcome engineering problems associated with installing advanced air bags in the current Coupe/Spyder, a model line that is soon to go out of production. The design of the current Coupe/Spyder started in 1996, before the advanced air bag rule was promulgated. In the late 1990s, when Maserati decided to re-enter the U.S. market, it made the decision that the Coupe/Spyder would have a life span in the U.S. of 5 years, from 2002 through 2006. This decision was based on the fact that the model was introduced in Europe in 1997, and that the basic platform would therefore have a total life span of 9 years. Only in late 2005, Maserati concluded that it had to extend the life span of the Coupe/Spyder, by 16 months beyond the planned 2006 end date, because a fully compliant vehicle is not yet ready.

According to Maserati, it tried, but could not overcome the technical challenges associated with borrowing the advanced air bag system from Maserati's other model, the

[5] When costs for interior redesign, crash cars, and tooling are included, the estimate raises to between $5,648,679 and $7,519,438.

[6] The dollar-euro exchange rate used herein is 1 euro = $1.20.

Quattroporte, because the steering column and steering wheel are incompatible with the electrical system in the Coupe/Spyder. Use of the Quattroporte's passenger air bag would require redesigning the entire Coupe-Spyder dashboard. To position the Quattroporte's sensors in the Coupe-Spyder, it would have been necessary to change the seats. The sensors also could not be packaged in the Coupe-Spyder due to space problems, and the sensor software was incompatible with the Coupe-Spyder's electrical system.

Maserati argues that an exemption would be in the public interest. Maserati put forth several arguments in favor of a finding that the requested exemption is consistent with the public interest. Specifically, Maserati asserts the current Coupe-Spyder's air bag system does not pose a safety risk. Maserati knows of no injuries caused by the Coupe-Spyder's current standard air bag system. If the exemption is denied and Maserati stops U.S. sales, Maserati states that its goodwill with its U.S. dealer's would be negatively impacted. Further, Maserati asserts that denial of an exemption would reduce the consumer choice in the specialty sports car market sector into which Maserati cars are offered. Masearti asserts that the Coupe-Spyder will not be used extensively by owners, and is unlikely to carry small children. Finally, according to Maserati, granting an exemption would assure the continued availability of proper parts and service support for existing Maserati owners.

IX. Issuance of Notice of Final Action

We are providing a 15 day comment period in light of the short period of time between now and the time the advanced air bag requirements become effective for small volume manufacturers, i.e., September 1, 2006. After considering public comments and other available information, we will publish a notice of final action on the application in the **Federal Register**.

Issued on: July 5, 2006.

Ronald L. Medford,

Senior Associate Administrator for Vehicle Safety.

[FR Doc. E6–10892 Filed 7–11–06; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–2006–25323]

Saleen, Inc.; Receipt of Application for a Temporary Exemption From Federal Motor Vehicle Safety Standard No. 208

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

ACTION: Notice of receipt of application for a temporary exemption from provisions of Federal Motor Vehicle Safety Standard No. 208, *Occupant crash protection.*

SUMMARY: In accordance with the procedures of 49 CFR part 555, Saleen, Inc. (Saleen) has applied for an extension of a Temporary Exemption from the automatic restraint requirements of Federal Motor Vehicle Safety Standard (FMVSS) No. 208, *Occupant Crash Protection,* and an additional exemption from the advanced air bag requirements of that standard, both for the Saleen S7. The basis of the application is that compliance would cause substantial economic hardship to a manufacturer that has tried in good faith to comply with the standard.[1]

We are publishing this notice of receipt of the application in accordance with the requirements of 49 U.S.C. 30113(b)(2), and have made no judgment on the merits of the application.

DATES: You should submit your comments not later than July 27, 2006.

FOR FURTHER INFORMATION CONTACT: Ed Glancy or Eric Stas in the Office of Chief Counsel, NCC–112, (Phone: 202–366–2992; Fax 202–366–3820).

SUPPLEMENTARY INFORMATION:

I. Background

A manufacturer is eligible to apply for a hardship exemption if its total motor vehicle production in its most recent year of production does not exceed 10,000, as determined by the NHTSA Administrator (15 U.S.C. 1410(d)(1)). Saleen has manufactured less than 20 Saleen S7's a year between model years 2003 and 2005. Applicant's other line of business consists of altering Ford Mustang vehicles. Saleen stated that it produced approximately 1500 Saleen Mustangs in model year 2005.

In June 2001, NHTSA granted Saleen a two-year hardship exemption from the automatic restraint requirements of FMVSS No. 208 (S4.1.5.3), expiring on April 16, 2003 (66 FR 33298; June 21, 2001). On January 22, 2004, we granted a renewal of the exemption for an additional three years, expiring on September 1, 2006.[2] Saleen has applied for a renewal of that exemption as well as an exemption from the advanced air bag provisions of FMVSS No. 208 (S14.2).[3]

In September of 2005, Saleen submitted an application for further exemption from the automatic restraint requirements of FMVSS No. 208, as well as an exemption from the advanced air bag requirements of the standard. Saleen subsequently withdrew the petition, and later resubmitted the application in January of 2006. Saleen then provided supplemental information May 11, 2006.

In 2000, NHTSA upgraded the requirements for air bags in passenger cars and light trucks, requiring what is commonly known as ''advanced air bags.'' [4] The upgrade was designed to meet the goals of improving protection for occupants of all sizes, belted and unbelted, in moderate to high speed crashes, and of minimizing the risks posed by air bags to infants, children, and other occupants, especially in low speed crashes.

The advanced air bag requirements were a culmination of a comprehensive plan that the agency announced in 1996 to address the adverse effects of air bags. This plan also included an extensive consumer education program to encourage the placement of children in rear seats. The new requirements were phased in beginning with the 2004 model year.

Small volume manufacturers are not subject to the advanced air bag requirements until September 1, 2006, but their efforts to bring their respective vehicles into compliance with these requirements began several years ago. However, because the new requirements were challenging, major air bag suppliers concentrated their efforts on working with large-scale manufacturers and thus, until recently, small volume

[1] To view the application using the Docket number listed above, please go to: *http://dms.dot.gov/search/searchFormSimple.cfm.*

[2] In accordance with 49 CFR 555.8(e), Saleen's original exemption remained in effect until the publication of the 2004 grant notice because the application for renewal was filed more than 60 days prior to the expiration of the exemption.

[3] Saleen's application states that Saleen is requesting an exemption from the advanced air bag provisions, which it cited as S5.1.1(b). S5.1.1 is the advanced air bag provision for occupant crash protection requirements for the 50th percentile adult male in a frontal barrier crash test. We believe that Saleen meant to cite S14.2, which establishes all of the advanced air bag requirements, including those for the 5th percentile adult female, children, and infants.

[4] See 65 FR 30680; May 12, 2000.