DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–2011–0030]

Spyker Automobielen B.V.; Receipt of Application for Extension of Temporary Exemption From Certain Requirements of FMVSS No. 208

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


SUMMARY: In accordance with the procedures in 49 CFR Part 555, Spyker Automobielen B.V. (Spyker) has applied for an extension of a previously granted temporary exemption from certain advanced air bag requirements of FMVSS No. 208, Occupant Crash Protection, for its C line of vehicles. 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.

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

DATES: You should submit your comments not later than May 6, 2011.


Comments: We invite you to submit comments on the application described above. You may submit comments identified by the docket number at the heading of this notice by any of the following methods:

- Web Site: http://www.regulations.gov. Follow the instructions for submitting comments on the electronic docket site by clicking on “Help and Information” or “Help/Info.”
- Hand Delivery: 1200 New Jersey Avenue, SE., West Building Ground Floor, Room W12–140, 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. Note that all comments received will be posted without change to http://www.regulations.gov, including any personal information provided. Please see the Privacy Act discussion below. We will consider all comments received before the close of business on the comment closing date indicated above. To the extent possible, we will also consider comments filed after the closing date.

Docket: For access to the docket to read background documents or comments received, go to http://www.regulations.gov at any time or to 1200 New Jersey Avenue, SE., West Building Ground Floor, Room W12–140, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. Telephone: (202) 366–9826.

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://www.dot.gov/privacy.html.

Confidential Business Information: If you wish to submit any information under a claim of confidentiality, you should submit three copies of your complete submission, including the information you claim to be confidential business information, to Docket Management at the address given above. To the extent possible, we will consider comments filed after the closing date. To the extent possible, we will also consider comments filed after the closing date.

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an extension of a temporary exemption from certain advanced air bag requirements of FMVSS No. 208 for its C-line of vehicles. The existing exemption was set to expire on December 15, 2010. The basis for the application is that compliance would cause substantial economic hardship to a manufacturer that has tried in good faith to comply with the standard. After filing its petition, Spyker submitted additional information regarding its compliance efforts.

The agency closely examines and considers the information provided by manufacturers in support of these factors, and, in addition, pursuant to 49 U.S.C. 30113(b)(3)(A), determines whether an exemption is in the public interest and consistent with the Safety Act.\(^1\) Spyker requested an extension until May 15, 2012. Copies of Spyker’s petition and its supplemental statement\(^2\) are available for review and have been placed in the docket for this notice.

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(b)). Additionally, although 49 U.S.C. 30113(b) states that exemptions from a Safety Act standard are to be granted on a “temporary basis,”\(^3\) the statute also expressly provides for renewal of an exemption on reaplication. Manufacturers are nevertheless cautioned that the agency’s decision to grant an initial petition in no way predetermines that the agency will repeatedly grant renewal petitions, thereby imparting semi-permanent exemption from a safety standard. Exempted manufacturers seeking renewal must bear in mind that the agency is directed to consider financial hardship as but one factor, along with the manufacturer’s on-going good faith efforts to comply with the regulation, the public interest, and consistency with the Safety Act generally, as well as other such matters provided in the statute.

We note that under 49 CFR 555.8(e), “If an applicant for renewal of a temporary exemption that meets the requirements of §555.5 has been filed not later than 60 days before the termination date of an exemption, the exemption does not terminate until the Administrator grants or denies the application for renewal.” In this case, Spyker submitted its petition for extension by the deadline stated in 49 CFR 555.8(e).

II. Advanced Air Bag Requirements and Small Volume Manufacturers

The agency published the final rule requiring advanced air bags in May 2000. The rule was intended to improve protection for occupants of different sizes, belted and unbelted, under FMVSS No. 208, while minimizing the risk to infants, children, and other occupants from injuries and deaths caused by air bags. The rule accomplished this by establishing new test requirements and injury criteria and specifying the use of an entire family of test dummies: The then-existing dummy representing 50th percentile adult males, and new dummies representing 5th percentile adult females, 6-year-old children, 3-year-old children, and 1-year-old infants. 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. The requirements did not apply to small manufacturers until September 1, 2006.

In recent years, NHTSA has addressed a number of petitions for exemptions from the advanced air bag requirements of FMVSS No. 208. The majority of these requests have come from small manufacturers that have petitioned on the basis of substantial economic hardship to a manufacturer that has tried in good faith to comply with the standard. Although NHTSA has granted a number of these petitions in situations where the manufacturer is supplying standard air bags in lieu of advanced air bags, NHTSA is considering (1) whether it is in the public interest to continue to grant such petitions, particularly in the same manner as in the past, given the number of years these requirements have now been in effect and the benefits of advanced air bags, and (2) to the extent such petitions are granted, what plans and countermeasures to protect child and infant occupants, short of compliance with the advanced air bags, should be expected.

Given the passage of time since the advanced air bag requirements were established and have been implemented, and in light of the benefits of advanced air bags, NHTSA is concerned that it may not be in the public interest to continue to grant exemptions from these requirements, particularly in the same manner as in the past. The costs of compliance with the advanced air bag requirements of FMVSS No. 208 are costs that all entrants to the U.S. automobile marketplace should expect to bear. Furthermore, NHTSA understands that, in contrast to the initial years after the advanced air bag requirements went into effect, low volume manufacturers now have access to advanced air bag technology. Accordingly, NHTSA tentatively concludes that the expense of advanced air bag technology may now be sufficient, in and of itself, to justify the grant of a petition for a hardship exemption from the advanced air bag requirements.

NHTSA further notes that exemptions from motor vehicle safety standards are to be granted on a “temporary basis.”\(^5\) In prior petitions, NHTSA has granted temporary exemptions from the advanced air bag requirements as a means of affording eligible manufacturers a transition period to comply with the exempted standard. Accordingly, in deciding whether to grant an exemption based on substantial economic hardship, NHTSA ordinarily considers the steps that the manufacturer has already taken to achieve compliance, as well as the future steps the manufacturer plans to take during the exemption period and the estimated date by which full compliance will be achieved.\(^6\) NHTSA invites comment on whether and in what circumstances (e.g., nature of vehicles, number of vehicles, level of efforts to comply with the requirements, timing as to number of years since the requirements were implemented, etc.) it should continue to grant petitions for exemptions from the advanced air bag requirements of FMVSS No. 208. We note that any policy statements we may make in this area would not have the effect of precluding manufacturers from submitting subsequent petitions for exemption. However, we believe it could be helpful for manufacturers to know our general views in advance of submitting a petition.

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\(^1\) The Safety Act is codified as Title 49, United States Code, Chapter 301.

\(^2\) Spyker has requested confidential treatment under 49 CFR Part 512 for certain business and financial information submitted as part of its petition for temporary exemption. Accordingly, the information placed in the docket does not contain the information that is the subject of this request.

\(^3\) 49 U.S.C. 30113(b)(1).

\(^4\) See, e.g., grant of petition to Panoz, 72 FR 25739 (May 22, 2007); grant of petition to Koenigsegg, 72 FR 17608 (April 9, 2007).

\(^5\) 49 U.S.C. 30113(b)(1).

\(^6\) 49 CFR 555.6(a)(2).
III. Spyker’s Petition

Background—Spyker, a Netherlands corporation, was founded in 2000 and has been producing a small number of luxury sports cars since February 2002. On July 6, 2005, NHTSA granted Spyker a three-year hardship exemption from several FMVSSs, including the “basic” air bag requirements and advanced air bag provisions of FMVSS No. 208 (S4.1.5.3; S14), as well as 49 CFR part 581, Bumper Standard (70 FR 39007 (July 6, 2005)). This exemption was set to expire on June 15, 2008. In this same grant, NHTSA also exempted the first ten Spyker C8 vehicles imported into the United States from S7 of FMVSS No. 108, Lamps, reflective devices, and associated equipment.

On March 25, 2009, NHTSA granted Spyker a 30-month limited extension from S4.1.5.3; S14, as well as 49 CFR part 581, Bumper Standard (74 FR 12925 (Mar. 25, 2009)). This extension was set to expire on December 15, 2010, but has been extended automatically by the filing of Spyker’s application for an extension.

Requested Exemption—Spyker has applied for a further extension of its temporary exemption. Specifically, Spyker requests that the exemption from the child and 5th percentile adult female driver out-of-position portions of the advanced air bag provisions of FMVSS No. 208 (S19, S21, S23, and S25) (74 FR 12925 (March 25, 2009)). This extension was set to expire on December 15, 2010, but has been extended automatically by the filing of Spyker’s application for an extension.

Eligibility—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(d)). 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 state that a manufacturer has 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.

Spyker Automobielen B.V. is a small volume manufacturer of luxury sports cars. Since 2005, Spyker Automobielen B.V. has manufactured less than 100 vehicles annually worldwide, and the company projects that it will manufacture 103 vehicles in 2011. However, the petition stated that Spyker Automobielen B.V. is wholly owned subsidiary of Spyker Cars NV, a publicly traded Netherlands corporation. In 2008, when Spyker Automobielen B.V. was granted a limited extension of its temporary exemption, Spyker Cars NV had no ownership interest in any other vehicle manufacturer nor was it under any common control with another automobile manufacturer.9 Since that time, Spyker Cars NV has acquired Saab Automobile AG, a large Swedish car manufacturer. Spyker asserts that Spyker Automobielen B.V. is financially and operationally independent from Saab Automobile AG and that, based on past NHTSA determinations regarding the issue of sponsorship, Spyker Automobielen B.V. remains eligible for a temporary exemption based on economic hardship.

Since filing its petition, Spyker has informed the agency that Spyker Cars NV plans to sell Spyker Automobielen B.V. to CPP Global Holdings, a private holding company in the United Kingdom. Because of the relationship between Spyker Automobielen B.V., Spyker Cars NV, and Saab Automobile AG, and, in light of the plans to sell Spyker Automobielen B.V. to CPP Global Holdings, NHTSA will closely examine whether Spyker is eligible for a financial hardship exemption. NHTSA specifically requests comments on the issue of Spyker’s eligibility.

Economic Hardship—Spyker stated that its previously established financial hardship continues due to the worldwide economic recession, which resulted in fewer global sales than Spyker had predicted. Specifically, Spyker suffered a net operating loss of approximately 131,971,000 Euros ($171,562,300)9 from 2004 to 2009. Spyker projected a further loss in 2010 of 12,000,000 Euros ($15,600,000). Moreover, based on 2011–2013 projections, Spyker estimated that if the extension is denied, Spyker will bear a loss of over 32,465,000 Euros ($42,204,500) during that time, as opposed to a loss of approximately 8,132,000 Euros ($10,571,600) if the extension is granted, representing a difference of 24,333,000 Euros ($31,632,000). Spyker also stated that the loss of sales in the U.S. that would result if the extension is denied could not be made up in the rest of the world because the U.S. is the largest and most important market for the vehicle. Spyker argued that such consequences demonstrate “substantial economic hardship” within the meaning of 49 U.S.C. 30113(b)(1)(B)(i).

Good Faith Efforts to Comply—Spyker stated that when it filed its original petition for exemption in 2004, its C line vehicles had no air bags. Spyker indicated that it started developing an “interim” driver air bag system for the C line vehicles, which went into production in December 2007. Additionally, Spyker stated that it began development of an “interim” passenger air bag for the C line in April 2007, which went into production in March 2008. Spyker indicated that its “interim” air bag system is capable of dual performance and meets the 35 mph belted test for both the driver and passenger positions. Spyker stated that this latter achievement brings its vehicles into compliance with paragraph S14.7 of FMVSS No. 208 (35 mph belted test using 5th percentile adult female dummies) two years ahead of the September 1, 2012 deadline. Additionally, Spyker indicated that its C8 vehicle meets the requirements of S14.5, S15, and S17. However, Spyker stated that the “interim” air bag system still cannot meet all of the advanced air bag requirements.

Spyker stated that it is continuing to work with Continental to develop and test its advanced air bag system and expects compliance by May 15, 2012. In support of its statements, Spyker submitted a detailed schedule for development of the advanced air bag system showing completion by May 2012. Spyker stated that it investigated using Saab facilities and equipment to develop its advanced air bag systems, but the company decided to continue working with Continental.

Public Interest—The petitioner put forth several arguments in favor of a finding that the requested exemption is consistent with the public interest and would not have a significant adverse impact on safety. Specifically:

1. Spyker stated that the exempted vehicles will comply with all FMVSSs other than the provisions that are the subject of this extension request.

2. The petitioner stated that an exemption will benefit the employment and U.S. companies because Spyker vehicles are distributed

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9 All dollar values are based on an exchange rate of 1 Euro = $1.30.
by a U.S. company, Spyker of North America, and are sold and serviced in the U.S. through a network of 18 dealers. Spyker argued that denial of an extension will negatively impact these companies.

3. Spyker argued that if the exemption is not granted, U.S. consumer choice would be harmed and that the agency has long maintained that the National Traffic and Motor Vehicle Safety Act seeks, if possible, to avoid limiting consumer choice.

4. The petitioner argued that given their exotic design and high-performance nature, the C line vehicles are not expected to be used extensively, nor are they expected to carry children with any frequency.

NHTSA specifically invites comment on the likelihood that a child or infant will be a passenger in a Spyker vehicle sold in the U.S.

5. Spyker stated that as of the submission date of its application for extension, approximately 60 exempted C line vehicles have been imported into the U.S. and there have been no reports of any air bag-related injuries.

6. Spyker stated that an important safety feature that the C line vehicles offer is enhanced occupant protection. The petitioner stated that occupants are positioned in a protective “cell” because the main chassis structure is built around them.

Agency Review of Petition—Upon receiving a petition, NHTSA conducts an initial review of the petition with respect to whether the petition is complete and whether the petitioner appears to be eligible to apply for the requested exemption. The agency has tentatively concluded that the petition is complete. The agency has not made any judgment on the eligibility of the petitioner or the merits of the application, and is placing a non-confidential copy of the petition in the docket.

IV. Issuance of Notice of Final Action

We are providing a 30-day comment period. 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: March 31, 2011.

Joseph S. Carra,
Acting Associate Administrator for Rulemaking.

[FR Doc. 2011–8082 Filed 4–5–11; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA–2006–26275; Notice No. 11–3]

Petition for Rulemaking—Classification of Polyurethane Foam and Certain Finished Products Containing Polyurethane Foam as Hazardous Materials

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: Notice; closing of comment period and denial of petition P–1491.

SUMMARY: On March 30, 2007, a notice [72 FR 15184] was published in the Federal Register soliciting comments on the merits of a petition for rulemaking filed by the National Association of State Fire Marshals (NASFM). The NASFM petitioned PHMSA to classify polyurethane foam and certain finished products containing polyurethane foam as hazardous material for purposes of transportation in commerce. The comment period for the notice closed June 28, 2007. Subsequently, on October 19, 2007, the NASFM requested that action be deferred on the petition, and that the public docket be re-opened to allow interested persons to submit additional comments on the March 30, 2007 notice, and on supplemental information submitted by the petitioner. On May 7, 2008, a notice [73 FR 25825] was published in the Federal Register re-opening the comment period and indicating that it would remain open until further notice had been published in the Federal Register. Since re-opening of the comment period, no additional or supplemental information have been submitted to PHMSA to support the contention that polyurethane foam and certain finished products containing polyurethane foam should be designated as hazardous materials when transported in commerce. As well, no further comments have been submitted to suggest we continue to pursue any further action on this subject.

Therefore, in light of the fact that the comment period had been extended and remained open for more than three years, with no further comment or data having been submitted to PHMSA to support proposals contained in petition P–1491 or the NASFM’s October 19, 2007 supplemental letter, issuance of this notice closes the comment period for the March 30, 2007 Notice [72 FR 15184] and the May 7, 2008 Notice [73 FR 25825], under Docket No. PHMSA–2006–26275.

Docket: For access to the docket to read background documents or comments received, go to http://www.regulations.gov or Docket Operations, U.S. Department of Transportation, West Building, Ground Floor, Room W12–140, Routing Symbol M–30, 1200 New Jersey Avenue, SE., Washington, DC 20590–0001, 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 any written communications and comments received into any of our dockets by the name of the individual submitting the document (or signing the document, 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), which may also be found at http://www.regulations.gov.

FOR FURTHER INFORMATION CONTACT:

SUPPLEMENTARY INFORMATION:

I. Background

On October 31, 2006, the National Association of State Fire Marshals (NASFM) submitted a petition for rulemaking to the U. S. Department of Transportation (DOT) through the Pipeline and Hazardous Materials Safety Administration (PHMSA) under the provisions of 49 CFR 106.95 (formerly 49 CFR 106.31). The NASFM requested that the Hazardous Materials Regulations (HMR; 49 CFR parts 171–180) be amended to classify polyurethane (PU) foam and certain finished products containing PU foam as a hazardous material for purposes of transportation in commerce. The NASFM is made up of senior-level public safety officials from the 50 States and the District of Columbia. The NASFM petition was received and acknowledged by PHMSA and assigned petition number P–1491; Docket No. PHMSA–2006–26275. On March 30, 2007, a notice [72 FR 15184] was published in the Federal Register soliciting comments on the merits of the petition for rulemaking filed by the NASFM.