Source of flooding and location of referenced elevation	*Elevation in feet (NGVD)		Communities affected
	Existing	Modified	
At the mouth of Stream 8D6	*504	*505	City of Grand Prairie.
Approximately 2,350 feet upstream of Arkansas Lane.	None	*544	
Stream 8D7:			
Approximately 2,000 feet downstream of Sherman Street.	*495	*496	City of Grand Prairie.
Approximately 50 feet downstream of Sherman Street.	None	*512	

Maps are available for inspection at the Administration Building, 411 Elm Street, 4th Floor, Dallas, Texas.

Send comments to The Honorable Lee F. Jackson, County Judge, Dallas County, Administration Building, 411 Elm Street, 2nd Floor, Dallas, Texas 75202.

Maps are available for inspection at 320 East Jefferson Boulevard, Dallas, Texas.

Send comments to The Honorable Ron Kirk, Mayor, City of Dallas, City Hall, 1500 Marilla Street, Dallas, Texas 75201–6390.

Maps are available for inspection at 200 North 5th Street, Garland, Texas.

Send comments to The Honorable Jim Spence, Mayor, City of Garland, 200 North 5th Street, P.O. Box 469002, Garland, Texas 75046–9002.

Maps are available for inspection at the City Development Center, 206 West Church Street, Grand Prairie, Texas.

Send comments to The Honorable Charles England, Mayor, City of Grand Prairie, 317 College Street, Grand Prairie, Texas 75053–4045.

Maps are available for inspection at 320 East Jefferson Boulevard, Dallas, Texas.

Send comments to The Honorable Mike Anderson, Mayor, City of Mesquite, P.O. Box 850137, Mesquite, Texas 75185–0137.

Maps are available for inspection at 537 Long Creek Road, Sunnyvale, Texas.

Send comments to The Honorable Jim Phaup, Mayor, Town of Sunnyvale, 537 Long Creek Road, Sunnyvale, Texas 75182.

*National Geodetic Vertical Datum

(Catalog of Federal Domestic Assistance No. 83.100, ''Flood Insurance'')

Dated: June 18, 2002.

Robert F. Shea,

Acting Administrator, Federal Insurance and Mitigation Administration.

[FR Doc. 02–15934 Filed 6–25–02; 8:45 am]

BILLING CODE 6718–04–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Part 541

[Docket No. NHTSA–2002–12231]

RIN 2127–AI46

Federal Motor Vehicle Theft Prevention Standard

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

ACTION: Notice of proposed rulemaking.

SUMMARY: Pursuant to the Motor Vehicle Theft Law Enforcement Act of 1984, NHTSA issued the Federal Motor Vehicle Theft Prevention Standard requiring specified parts of high-theft vehicles to be marked with an identifying number. The Anti Car Theft Act of 1992 requires NHTSA to conduct a rulemaking to extend the parts marking requirements of that Standard to all passenger cars and multipurpose passenger vehicles with a gross vehicle weight rating of 6,000 pounds or less, regardless of theft rate, unless the Attorney General finds that such a requirement would not substantially inhibit chop shop operations and motor vehicle thefts. The Attorney General has examined the evidence and concluded that the standard should be extended. Therefore, NHTSA is required to issue this proposal to extend the parts marking requirements to all passenger cars and multipurpose passenger vehicles with a gross vehicle weight rating of 6,000 pounds or less, and to light duty trucks with major parts that are interchangeable with a majority of the covered major parts of multipurpose passenger vehicles.

DATES: Comments must be received on or before August 26, 2002.

ADDRESSES: You may submit your comments in writing to: Docket Section, National Highway Traffic Safety Administration, 400 Seventh Street, SW., Washington, DC 20590. Alternatively, you may submit your comments electronically by logging onto the Docket Management System (DMS) website at *http://dms.dot.gov.* Click on ''Help & Information'' or ''Help/Info'' to view instructions for filing your comments electronically. Regardless of how you submit your comments, you should mention the docket number of this document. You can find the docket number at the beginning of this document.

FOR FURTHER INFORMATION CONTACT: For technical and policy issues, you may call Deborah Mazyck, Office of Planning and Consumer Programs, (Telephone: 202–366–0846) (Fax: 202–493–2290).

For legal issues, you may call Dion Casey, Office of Chief Counsel (Telephone: 202–366–2992) (Fax: 202–366–3820).

You may send mail to both of these officials at National Highway Traffic Safety Administration, 400 Seventh Street, SW., Washington, DC 20590.

You may call Docket Management at 202–366–9324. You may visit the Docket from 10 a.m. to 5 p.m., Monday through Friday.

A copy of the draft justification statement for the proposed collection of information associated with this rulemaking may be obtained by contacting Walter Culbreath, NHTSA Information Collection Clearance Officer, Office of Administration (Telephone: 202–366–1566). Please identify the relevant collection of information by referring to OMB Clearance No. 2127–0510. A copy of the draft justification statement will also be available in the docket. The docket number is in the heading of this notice.

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I. Background

A. The Motor Vehicle Theft Law Enforcement Act of 1984

In 1984, Congress enacted the Motor Vehicle Theft Law Enforcement Act (the 1984 Theft Act) in response to escalating motor vehicle thefts.[1] The 1984 Theft Act was designed to reduce the incidence of motor vehicle thefts and simplify the tracing and recovery of parts from stolen vehicles. The 1984 Theft Act directed NHTSA to issue a theft prevention standard requiring vehicle manufacturers to mark major parts of high-theft passenger car lines with identifying numbers or symbols.[2]

In response, NHTSA issued the Federal Motor Vehicle Theft Prevention Standard (49 CFR part 541). (50 FR 43166, October 24, 1985). The standard applies only to those motor vehicle lines that the agency has designated as high-theft.[3] Manufacturers of these high-theft passenger motor vehicle lines must mark the following ''major parts'' in those lines with the vehicle identification number (VIN): Engine, transmission, hood, fenders, side and rear doors (including sliding and cargo doors and decklids, tailgates, or hatchbacks, whichever is present), bumpers, quarter panels, and pickup boxes and/or cargo boxes.[4] (50 FR 43166, October 24, 1985). The standard also requires replacement parts for these parts to be marked with the manufacturer's registered trademark, or some other unique identifier, and the letter ''R.''[5] The standard became effective beginning with the 1987 model year.

Manufacturers can meet the parts marking requirements with indelibly marked labels that cannot be removed without becoming torn or rendering the number on the label illegible. If removed, the labels must leave a residue on the part after being removed so that investigators will have evidence that a label was originally present. Alteration of the number on the label must leave traces of the original number or otherwise visibly alter the appearance of the label material. A replacement major part must be marked with the registered trademark of the manufacturer of the replacement part, or some other unique identifier, and the letter ''R''.

The 1984 Theft Act allowed for an exemption from the parts marking requirements for certain vehicle lines in which antitheft devices were installed as standard equipment. The 1984 Theft Act limited each manufacturer to two new exemptions per model year.[6] The manufacturer must petition NHTSA to obtain an exemption. The agency grants the exemption if it determines that the devices are likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts marking requirements.

B. The Anti Car Theft Act of 1992

In 1991, NHTSA submitted a report to Congress assessing the motor vehicle theft problem and evaluating the effectiveness of parts marking.[7] At that time, however, only two years of theft and recovery data were available for vehicles with marked parts. As a result, the agency could not obtain evidence of the effectiveness of parts marking through statistical analysis of theft and recovery rates.

Nevertheless, the agency found wide support for parts marking in the law enforcement community. Investigators stated that parts marking provided them with a valuable tool for detecting, apprehending, and prosecuting vehicle thieves. After considering the evidence and public comments obtained during the preparation of the 1991 report, the agency recommended that the theft prevention standard be continued with minor changes.[8]

As a result of the agency's recommendations and other information, Congress enacted the Anti Car Theft Act of 1992 (the 1992 Theft Act). The 1992 Theft Act extended the parts marking requirements to multipurpose passenger vehicles (MPVs) (i.e., passenger vans and sport-utility vehicles) and light duty trucks (pickup trucks and cargo vans) with a gross vehicle weight rating (GVWR) of 6,000 pounds or less that NHTSA designated as high-theft. The 1992 Theft Act also extended the parts marking requirements to selected motor vehicle lines that were below the 1990/1991 median theft rate.

As in the 1984 Theft Act, the 1992 Theft Act required NHTSA to report to Congress on the effects of the Act on trends in motor vehicle thefts and recovery by 1997.[9] The 1992 Theft Act also required the Attorney General to submit two reports, an initial review of the effectiveness of parts marking,[10] and a long-range review of the effectiveness of parts marking[11] to the Secretary of Transportation. The 1992 Theft Act requires the Attorney General to make a finding that the Secretary shall extend the standard unless the Attorney General finds instead that extending the standard would not substantially inhibit

[1] Pub. L. 98–547.

[2] The 1984 Theft Act is codified at 49 U.S.C. 33101, *et seq.* Section 33102(a)(1) reads: ''The standard shall apply to—(A) covered major parts that manufacturers install in passenger motor vehicles in lines designated under section 33104 of this title as high theft lines; and (B) major replacement parts for the major parts described in clause (A) of this paragraph.'' Section 33101(10) defines a ''passenger motor vehicle'' as including ''a multipurpose passenger vehicle or light duty truck when that vehicle or truck is rated at not more than 6,000 pounds gross vehicle weight.

[3] Appendix C to part 541 specifies the criteria for selecting lines that are likely to have high theft rates, and thus are subject to the parts marking requirements. These criteria include: the retail price of the vehicle line; the vehicle image or marketing strategy; the vehicle lines with which the line is intended to compete, and the theft rates of those lines; the theft rate for the line; and the presence or absence of any theft prevention devices.

[4] The engine and transmission may be marked with either the 17-digit VIN or an 8-digit VIN derivative.

[5] 49 CFR 541.6.

[6] NHTSA's procedures for exempting vehicles from the theft prevention standard are contained in 49 CFR part 543. Manufacturers were allowed two exemptions per model year through the 1996 model year. Beginning with the 1997 model year, manufacturers were allowed one exemption per model year.

[7] Auto Theft and Recovery: Effects of the Motor Vehicle Theft Law Enforcement Act of 1984, Report to Congress, March 1991. The 1984 Theft Act required this report.

[8] The agency recommended the following changes: (1) That the agency be allowed to establish a median theft rate based on data from the most current model year; (2) that the agency be allowed to re-designate a car line from likely high theft to likely low theft if that line had proved to be below an established median theft rate for a specified number of years; and (3) that manufacturers be allowed an unlimited number of exemptions for vehicles with anti-theft devices installed as standard equipment.

[9] A copy of this report, Auto Theft and Recovery: Effects of the Anti Car Theft Act of 1992 and the Motor Vehicle Theft Law Enforcement Act of 1984, Report to Congress, July 1998, has been placed in the docket. The agency published a preliminary version of this report in the **Federal Register** on June 26, 1997, and requested comments on it. (62 FR 34494).

[10] 49 U.S.C. 33103(c). The Act does not specify a due date for the initial review.

[11] 49 U.S.C. 33103(d). The Act mandates that the long-range review be completed by December 31, 1999.

chop shop operations and motor vehicle thefts.

Under the 1992 Theft Act, the Secretary of Transportation is required to apply the parts marking requirements to the remaining lines of passenger motor vehicles (except light duty trucks) if the Attorney General finds in the initial review that they should be so applied.[12]

C. The Attorney General's Initial Review and Findings

On July 21, 2000, the Attorney General submitted the initial review to NHTSA. The Attorney General has not yet completed the long-range review.

In the July 21, 2000 initial review, the Attorney General reported to the Secretary of Transportation on the effectiveness of the parts marking requirements.[13] The Attorney General concluded:

> After conducting an initial review of the effectiveness of the vehicle theft prevention standard as required by the Act, I have determined that the available evidence warrants application of the vehicle theft prevention standard to the remaining motor vehicle lines. That is, the evidence does not support a finding that requiring motor vehicle manufacturers to mark major parts in all motor vehicle lines will not substantially inhibit chop shop operations and motor vehicle thefts. Therefore, the parts marking requirement should be expanded.

The Attorney General based this conclusion on information from several sources, including data from the Federal Bureau of Investigation (FBI), which reported automobile thefts by model, model year, state, and registration year from 1981 through 1995, and R.J. Polk, Inc., which provided data on car registrations for that time period. The Department of Justice (DOJ) also contracted with Abt Associates to report on the effectiveness of automobile parts marking.[14]

II. Problem Description

A. Motor Vehicle Theft

Motor vehicle thefts occur for a variety of reasons that can generally be used to group thefts into two categories: professional and non-professional.[15] Professionals steal vehicles primarily for three purposes: chop shop operations, theft and retag, and thefts for export.

Chop shop operations are businesses that acquire stolen vehicles or hire thieves to provide vehicles so that parts can be removed and sold for profit. These parts may eventually be bought by others to repair damaged vehicles since they sell for substantially less than original equipment parts.

Theft and retag occurs when vehicles are stolen and sold for profit to be registered under another VIN. The new VIN and title are obtained by purchasing a junked vehicle of the same make and model. The VIN plate is transferred from the junked vehicle to the stolen vehicle, and the title is altered to match the stolen vehicle.

Thefts for export occur when vehicles are stolen and illegally shipped out of the United States to be sold for profit.

Non-professionals steal vehicles primarily for three purposes: insurance fraud, concealing one's identity while committing another crime, and joyriding or temporary transportation.

An individual commits insurance fraud by ''stealing'' his or her own vehicle, or having somebody else ''steal'' and hide it, so he or she can collect its insured value. After the insurance company pays, the vehicle may be abandoned by the thieves, eventually recovered, and end up as the property of the insurance company. Insurance fraud usually occurs when the owner is in financial distress or the actual value of a vehicle is much lower than its insured value.

Non-professional vehicle thieves also steal vehicles to conceal their identity while committing another crime, since the stolen vehicle cannot easily be traced to the criminal. These thieves usually use stolen vehicles for transportation to and from the scene of the crime. Such vehicles usually are abandoned soon afterward and eventually recovered.

Finally, non-professionals steal vehicles for joyriding or temporary transportation. Such vehicles are usually abandoned and recovered after a matter of hours or days.

According to data from the FBI's National Crime Information Center (NCIC), almost 1.2 million motor vehicles were stolen in 1995. Passenger cars accounted for 71 percent of all motor vehicle thefts in 1995. Light duty trucks and MPVs accounted for 24 percent. The remaining five percent were thefts of motorcycles, buses, and heavy trucks.

Of the more than 1 million vehicles stolen each year, approximately 200,000 are never recovered. Chop shop operations, theft and retagging, thefts for export, and insurance fraud are believed to account for most of the unrecovered vehicles.

B. Costs of Motor Vehicle Theft

The overall cost of motor vehicle thefts to the United States economy is difficult to estimate. Not all thefts are reported. The precise value of stolen and recovered vehicles may be unknown. Moreover, ancillary costs, such as insurance administration, police work, and the loss of victims' time (i.e., filling out reports, appearing in court, acquiring substitute transportation, etc.) are difficult to gauge.

However, motor vehicle theft is the number one property crime in the United States. The FBI estimates that in calendar year 2000, there were 1,165,559 reported stolen vehicles with an average value of $6,682; thus, the total value of vehicles stolen was almost $7.8 billion.[16]

III. Effectiveness of Parts Marking

A. Deterring Motor Vehicle Thefts

Parts marking deters motor vehicle theft and aids theft investigators in several ways. First, when a car is stolen, as long as the marking on at least one part remains intact, investigators can more easily trace the car to its owner, prove it was stolen, and make an arrest. Second, motor vehicle theft investigators in many jurisdictions have been given the authority to seize parts or vehicles when markings have been damaged or removed. Third, investigators in most jurisdictions treat the absence of intact markings as a ''red flag'' indicating a need for further investigation. Fourth, in those jurisdictions requiring inspections of restored cars before they can be re-titled, parts marking assists officers in identifying vehicles that have been reassembled using stolen parts.

Parts marking also aids in prosecuting chop shop owners and dealers in stolen vehicles and parts. The ease with which thieves, operators of chop shops, and dealers in stolen parts can be prosecuted is a significant deterrent to motor vehicle theft and the operation of chop shops.

[12] The ''remaining lines'' referred to are lines of passenger cars and MPVs that have not been designated as high-theft vehicle lines. The term does not refer to lines of light duty trucks, which would continue to be subject to the procedures for selecting vehicle lines subject to the parts marking requirements regardless of the Attorney General's findings. As in the past, lines of light duty trucks would be subject to the parts marking requirements only if NHTSA designated them as high-theft vehicle lines.

[13] A copy of the initial review has been placed in the docket.

[14] Abt Associates, ''An Evaluation of the Effectiveness of Automobile Parts Marking on Preventing Theft,'' July 1, 1999. A copy of this report has been placed in the docket.

[15] This discussion is a summary of the 1998 report NHTSA submitted to Congress. A copy of this report has been placed in the docket.

[16] Federal Bureau of Investigation, ''Crime in the United States, 2000,'' pp. 53 and 286. This report can be found on the FBI website at *http://www.fbi.gov/ucr/ucr.htm.*

NHTSA believes that parts marking deters professional rather than non-professional motor vehicle thieves. Parts marking allows law enforcement agencies to identify stolen vehicles or parts removed from stolen vehicles. This makes it more difficult for professional thieves to market stolen vehicles and parts, and aids officials in apprehending and prosecuting professional thieves.

Parts marking probably does not deter non-professional thieves who steal motor vehicles to use for joyriding or temporary transportation since these thieves do not intend to re-sell the vehicles or their parts. Non-professional thieves probably are deterred more by anti-theft devices (e.g., car alarms) that make vehicles more difficult to steal.

Abt Associates conducted an analysis of auto theft data to determine the effectiveness of parts marking. NHTSA provided Abt Associates with theft and recovery data. NHTSA's data came from two principal sources: the FBI, which reported automobile thefts, and R.J. Polk, Inc., which provided data on car registrations. Both data sets were classified by model, model year, state, and registration year from 1984 through 1995. Taken together, these two sets of data yielded estimates of the automobile theft rates for that time period.

NHTSA also provided Abt Associates with information indicating which cars were subject to the parts marking requirements. Abt Associates augmented these data by adding information based on Census statistics and FBI Uniform Crime Reports, and analyzing data on automobile theft from the National Crime Victimization Survey (NCVS.)

Abt Associates' best estimate is that between 33 and 158 fewer cars are stolen by professional thieves per 100,000 cars that were marked between 1987 and 1995. Abt Associates stated that they were not confident that the statistical analysis accurately estimated the effect of parts marking for various reasons. Nevertheless, Abt Associates stated that the available evidence is consistent with the conclusion that parts marking does reduce automobile theft, even if the size of the effect is uncertain.

This finding is consistent with the findings in NHTSA's 1998 Report to Congress. The agency was unable to generate reliable quantitative estimates of the effectiveness of parts marking. However, the agency's analysis found several indications that parts marking was having beneficial effects. For example, the agency noted that for model years 1986 and 1987, when the parts marking requirements were introduced, cars with marked parts had lower theft rates than expected, while those with unmarked parts had higher rates than expected.[17]

B. Cost of Parts Marking

The 1984 Theft Act limits the cost that may be imposed by the parts marking requirements to $15 per vehicle (in 1984 dollars).[18] However, the Act permits the cost limit to be adjusted for inflation, based on the Consumer Price Index.[19] The limit in 2000 dollars, which NHTSA is using for purposes of this proposed rule, is $24.86 per vehicle.[20]

Based on a 1988 NHTSA study, the agency estimated that the average cost of parts marking was $4.14 per vehicle in 1988 dollars.[21] This cost estimate took into account overhead costs and profit, but excluded the cost of marking engines and transmissions, which were marked prior to the 1984 Theft Act, and thus not included in the statutory limit. Based on the Consumer Price Index, the agency estimates that the cost of parts marking is $6.03 per vehicle, an amount well within the statutory limit of $24.86.

In its 1998 Report to Congress, discussed in greater detail below, NHTSA estimated that in order to be cost effective, parts marking would have to reduce by two percent theft among vehicles that were up to three years old.[22]

IV. Agency Proposal

A. Expansion of the Parts Marking Requirements

As noted above, the 1992 Theft Act requires the Secretary of Transportation to apply the parts marking requirements to the remaining lines of passenger motor vehicles (except light duty trucks) unless the Attorney General finds in the initial review that such a requirement would not substantially inhibit chop shop operations and motor vehicle thefts. As noted above, after studying the available evidence, the Attorney General concluded that the evidence does not support a finding that requiring motor vehicle manufacturers to mark major parts in all motor vehicle lines would not substantially inhibit chop shop operations and motor vehicle thefts and therefore found that the standard should be extended.

Accordingly, the agency is proposing that the parts marking requirement be applied to all ''remaining lines,'' which includes passenger cars and MPVs, but not light duty trucks, with a GVWR of 6,000 pounds or less. Light duty trucks, i.e., pickup trucks and cargo vans, would continue to be subject to the current procedures for selecting high-theft lines to be covered by the theft prevention standard.

NHTSA notes that 49 CFR 542.2 provides procedures for selecting new low theft vehicle lines with major parts that are interchangeable with a majority of the major parts of a high theft vehicle line. These low theft vehicle lines with interchangeable parts are subject to the parts marking requirements.[23]

The agency specified this requirement in a final rule mandated by the 1984 Theft Act, which provided:

> Lines whose theft rate is or is likely to be below the median theft rate, but whose major component parts are interchangeable with a majority of the major component parts of a line that is subject to the theft prevention standard * * *, are high theft lines * * * However, car lines whose theft rate is or is likely to be below the median theft rate will not be treated as high theft lines * * * if such low theft or likely low theft lines account for greater than 90 percent of total production of all lines containing such interchangeable parts. (50 FR 34831, August 28, 1985).

In explaining the purpose of this requirement, NHTSA stated:

> Congress determined that, although certain vehicles are not themselves from a high theft line, the high degree of interchangeability of their parts with those of a high theft line would make these otherwise low theft vehicles likely targets for car thieves. As likely targets for car thieves, Congress determined that all covered major parts on these vehicles should be marked, not just those that were interchangeable with the covered major parts of the high theft line. This will serve as an additional deterrent to the theft of these vehicles. (50 FR 34835, August 28, 1985).

NHTSA believes that under the changes proposed in this document, a similar situation could arise with MPV

[17] The agency noted that this effect weakened as the cars aged, probably because professional thieves learned how to obliterate the markings and found them less of a deterrent.

[18] 49 U.S.C. 33105(a).

[19] 49 U.S.C. 33105(c).

[20] In setting this limit, Congress intended MPVs and light duty trucks with a GVWR of 6,000 pounds or less to be included in the cost estimate for parts marking motor vehicles, event though these vehicles were excluded from the parts marking requirements.

[21] ''Evaluation of Methods and Costs to Mark Vehicle Parts for Theft Prevention: Volume 1'' NHTSA, DOT HS 87, 616, September 1988.

[22] Abt Associates concluded that the parts marking requirements would be cost effective if they prevented from 8 to 19 car thefts per 100,000 marked cars.

[23] These vehicle lines are listed in Appendix B to Part 541—Passenger Motor Vehicle Lines (Except Light Duty Trucks) With Theft Rates Below the 1990/91 Median Theft Rate, Subject to the Requirements of this Standard. Only four lines are listed in this table: Honda Civic, Ford Crown Victoria, Chevrolet Astro (MPV), and GMC Safari (MPV).

lines that have major parts interchangeable with light duty truck lines. The agency notes that passenger vans and sports utility vehicles are classified as MPVs while cargo vans and pickup trucks are classified as light duty trucks. The agency's proposal would expand the parts marking requirements to all MPVs, but maintain the requirement that only light duty trucks that have been designated as high theft lines be marked. Therefore, a passenger van or sports utility vehicle line, which is classified as an MPV, and thus would have to be marked, could have major parts interchangeable with a cargo van or pickup truck line, which is classified as a light duty truck, and thus would not have to be marked if it were not designated as a high theft line.

An example of this is the General Motors Savana Van. There are two classes of the Savana Van, a passenger van version, which is classified as an MPV, and a cargo van version, which is classified as a light duty truck. Under the agency's proposal, the passenger van version would have to be marked because it is an MPV, while the cargo van version would not have to be marked, unless General Motors or NHTSA designated it as a high theft line.

Many of the major parts of these two vans are identical. If the agency does not require both versions to be marked, law enforcement could be compromised. For example, if police officers found a fender from a Savana Van at a chop shop, they would not be able to determine whether it should have been marked.

To address this problem, NHTSA is proposing to add a new §542.3, modeled on § 542.2.

The agency is proposing to exclude low theft light duty truck lines that have major parts that are interchangeable with a majority of the covered major parts of multipurpose passenger vehicles if those light duty trucks account for more than 90 percent of the total production of all lines containing those interchangeable parts. As noted above, in the 1984 Theft Act Congress specifically excluded vehicle lines that are low theft but have major parts that are interchangeable with a majority of the covered parts of a high theft vehicle line if the low theft line accounted for more than 90 percent of the total production of all lines containing those interchangeable parts, and NHTSA specifically excluded such vehicle lines in the 1985 final rule establishing 49 CFR part 542.

NHTSA requests comment on the number of light duty truck lines that would have to be marked under this proposal because they have major parts that are interchangeable with a majority of the covered parts of a MPV. The agency also requests comment on the cost of extending the parts marking requirements to all the vehicle lines discussed above, and on the potential effectiveness of parts marking in deterring thefts of these vehicles.

NHTSA is proposing September 1, 2005 as the effective date for the new rule. The agency believes that this would provide enough lead-time to allow manufacturers to mark new vehicle lines and those vehicle lines previously determined to be low-theft, and thus not subject to the parts marking requirements. Although NHTSA believes that marking parts on additional vehicle lines would not be difficult, the agency believes that manufacturers may need this lead-time to buy additional parts-marking equipment, determine vehicles' target areas for parts marking, and decide whether to submit a petition for exemption from the parts marking requirements. The agency requests comment on whether this is sufficient lead-time for manufacturers.

B. Permanence of Markings

1. The 1984 Final Rule

When labels are used to comply with the parts marking requirements, 49 CFR Part 541 requires that the VIN or VIN derivative be printed indelibly on the label, and that the label be permanently affixed to the part. If the label is removed, it must self-destruct by tearing or making the VIN illegible. Removing the label also must alter the appearance of the area where the label was affixed so that evidence remains that a label was originally there. Any attempts to alter the number on a label must leave traces of the original number.

NHTSA adopted these performance requirements in the final rule establishing the theft prevention standard. (50 FR 43166, October 24, 1984). In the final rule, NHTSA noted that several commenters, including law enforcement agencies, suggested that the agency mandate the use of a particular marking system, such as stamping or glass etching. The commenters asserted that the use of a particular marking system would ensure the greatest effectiveness for the theft prevention standard.

In response, the agency noted that it did not have the authority to mandate the use of any particular marking system. Under the 1984 Theft Act, the agency had authority only to establish performance criteria that would accomplish the purposes of the 1984 Theft Act. This conclusion was based on the legislative history of the 1984 Theft Act. The agency quoted from page 10 of the House Committee Report accompanying the 1984 Theft Act:

> The DOT will establish the tests or general criteria which the identification must meet, but not how it is to be inscribed or affixed. That is the choice of each manufacturer. For example, we understand that a tamper-resistant label exists. If it can meet the performance tests or general criteria prescribed by the standard, the manufacturer may choose to use it to comply with the standard. (H.R. Rep. No. 1087, 98th Cong., 2d Sess., at 10 (1984), hereinafter cited as H. Rept.). (50 FR 43166).

The House Committee Report identified the following three essential purposes for the 1984 Theft Act:

> (1) To prevent thefts and reduce the ease with which certain stolen vehicles and their major parts can be fenced;
> (2) To try to minimize regulation of the domestic and foreign motor vehicle manufacturing industry; and
> (3) To give law enforcement officers at all levels of government the much-needed prosecutory tools to crack criminal theft rings and related racketeering activities. H. Rept. at 2.

The agency believed that the requirements of the theft prevention standard, as written in the final rule, would serve all of these purposes. The standard required any markings affixed to a part to be permanent, and removal of the markings to discernibly alter the appearance of that area of the part where the label was affixed. In addition, the agency noted that the 1984 Theft Act made it a crime to possess a part from which the identification number had been removed,[24] and the part was subject to seizure and forfeiture.[25] The agency believed that those requirements would help to deter thefts and reduce the ease with which stolen vehicles and their parts could be fenced. Further, by allowing manufacturers to choose how they would meet the performance requirements, the agency believed that the standard minimized regulation of the motor vehicle manufacturing industry. Finally, NHTSA believed that the evidence left by the removal of affixed markings gave law enforcement officials prosecutorial tools to crack theft rings.

2. The 1986 Response to Petitions for Reconsideration

The agency also addressed this issue in its response to petitions for reconsideration of the final rule. In their petitions, three law enforcement groups objected to the absence of a requirement

[24] 18 U.S.C. 2320.

[25] 18 U.S.C. 512.

that some of the required markings be stamped into a part. The Federal Bureau of Investigation (FBI) requested the agency to amend the final rule to require the full VIN, or a derivative thereof, to be stamped into a permanent metal part of each vehicle. The International Association of Auto Theft Investigators (IAATI) and the Criminal Division of the U.S. Department of Justice (DOJ) asked that the agency modify the final rule to require that the markings be stamped into the frame, engine, and transmission.

The agency responded:

> With respect to the request that the markings be required to be stamped into some covered major parts, NHTSA again concludes that the clearly-expressed Congressional intent would not allow the agency to require explicitly that markings be stamped into the parts. However, NHTSA acknowledges that it could indirectly require markings to be inscribed into some parts by setting higher performance standards for those parts. For instance, NHTSA could add a performance standard for some parts that the marking must be capable of being restored to its original form by chemical means, if the marking is altered or obliterated. Such a requirement would force manufacturers to inscribe the markings into those parts, by etching, sandblasting, stamping, and the like. However, NHTSA has concluded that it would be premature to impose such a requirement. (51 FR 8831, March 14, 1986).

The agency concluded that it would be premature to impose such a requirement because there was not any empirical evidence that affixed markings complying with the performance requirements in the final rule would not adequately serve the needs of law enforcement. However, the agency stated, ''If it becomes clear that affixed markings are, in fact, not serving the legitimate needs of law enforcement, NHTSA will consider amending the performance requirements of this theft prevention standard.'' (51 FR 8831, March 14, 1986).

3. The 1998 Report to Congress

On June 26, 1997, NHTSA published a preliminary version of its 1998 Report to Congress on the effectiveness of the parts marking requirements in the **Federal Register** and requested comments. (62 FR 34494, Docket No. 97–042, RIN 2127–AF55). Several commenters, primarily law enforcement agencies, recommended that the agency require the markings to be more permanent. The Iowa State Patrol recommended that the agency require all major parts to be stamped with the VIN or a VIN derivative. The Metropolitan Dade County (Florida) Police Department and the Florida Auto Theft Intelligence Unit suggested a label that, when removed, leaves a footprint with the full VIN.

Vehicle manufacturers opposed more permanent methods of parts marking. The American Automobile Manufacturer's Association (AAMA), whose members were Chrysler Corporation, Ford Motor Company, and General Motors Corporation, claimed that requiring the stamping or inscribing of the VIN into major vehicle parts would result in a ''substantial increase in costs.'' However, AAMA stated that it had not had time to develop cost estimates.

4. The 1999 Abt Associates' Report to the Attorney General

As part of its 1999 report to the Attorney General, Abt Associates conducted a survey of auto theft investigators from 47 jurisdictions, including 31 of the 32 largest cities in the U.S. (plus Miami), six smaller municipalities, and nine State agencies. These jurisdictions include the majority of jurisdictions with the highest auto theft rates in the U.S. The investigators reported that the most serious obstacle to making more effective use of the parts marking labels is that they are easy to remove and, once removed, it is impossible to prove that the parts are stolen because the owner cannot be traced.

5. The 2000 Attorney General's Initial Review

The DOJ published the Abt Associates' report in the **Federal Register** and requested comments on whether expanding the parts marking requirements would be an effective deterrent to motor vehicle thefts, additional costs, and available alternative factors.[26] In the July 21, 2000 initial review, the Attorney General noted:

> The investigators surveyed overwhelmingly supported more permanent markings, as did those who commented in response to the DOJ Notice * * * In fact, investigators identified the lack of permanence as the most significant obstacle to increasing the effective use of markings.

Based on the Abt Associates survey and these comments, the Attorney General stated in the July 21, 2000 initial review, ''I have concluded that permanence is at the heart of any effective marking system, and therefore I urge DOT to require permanent, non-removable markings.'' However, the Attorney General did not suggest any specific requirements or methods for more permanent markings.

[26] 63 FR 48758, September 11, 1998.

6. Questions on More Permanent Methods of Parts Marking

Based on the comments of law enforcement agencies to both NHTSA's preliminary version of its 1998 Report to Congress,[27] the Abt Associates report to the Attorney General,[28] and the Attorney General's initial review, it appears that the current parts marking requirements are not meeting the legitimate needs of law enforcement. Accordingly, NHTSA is considering proposing to adopt performance requirements that would necessitate the use of more permanent methods of parts marking. NHTSA is not including any such proposals in this document because the agency needs more information to aid it in formulating specific proposals. To obtain that information, the agency has set out a series of questions below.

The first several questions are similar to questions that the agency asked when it published the preliminary version of its 1998 Report to Congress.[29] The agency received little specific information on more permanent parts marking methods and their costs. The agency believes that ample time has passed since then for law enforcement agencies, vehicle and label manufacturers, and other organizations to provide more specific answers to these questions. NHTSA also believes that answers to these questions will aid the agency in determining what additional performance requirements and test procedures would be effective and appropriate. Thus, the agency is asking these questions again.

1. Are there more permanent methods of parts marking that can be accomplished within the Congressionally mandated cost limit of $24.86 (in 2000 dollars) per vehicle?

2. Please include documentation on the markings method, how permanent the markings are (how difficult it is to remove the markings and what evidence is likely to remain after removal that there were markings), and cost estimates, including the cost of any materials, equipment, tooling, and labor. If the application of performance requirements necessitating the use of more permanent methods were limited so that they applied to only some of the parts required to be marked, which parts should be marked by those methods and how much cost could be saved.

3. Please identify the economic year for the cost estimates.

4. Please describe how the markings are applied using the more permanent

[27] 62 FR 34493, June 26, 1997.

[28] 63 FR 48785, September 11, 1998.

[29] 62 FR 34493, June 26, 1997.

methods, including the time needed to mark all the major vehicle parts.

In addition, the agency requests answers to the following new questions:

5. Are more permanent methods of parts marking necessary?[30] Please provide empirical evidence, i.e., evidence that labels have been removed from stolen vehicles and parts, and that enforcement efforts have been compromised as a result. How common a problem is this? Please document your answer to the extent possible.

6. As discussed above, NHTSA does not have the authority to adopt a requirement that expressly identifies a specific method of parts marking, such as stamping or etching, and mandate it. However, it can adopt performance requirements that have the effect of requiring a particular method or methods. With that in mind, what objective performance requirements and test procedures would be effective and appropriate for requiring more permanent methods of parts marking?

7. How would these performance requirements and test procedures ensure that insufficiently permanent parts marking methods would be disallowed?

NHTSA will use the answers to these questions in deciding whether to issue a separate proposal for new performance requirements and test procedures.

C. Marking Air Bags and Window Glazing

Currently, air bags and window glazing are not classified as major parts subject to the parts marking requirements.

The agency's latest data show that 65.5 million passenger cars are equipped with frontal air bags (51.6 million with dual air bags, and 13.9 million with only a driver-side air bag); 40.3 million light trucks and MPVs are equipped with frontal air bags (28.7 million with dual air bags, and 11.6 million with only a driver-side air bag); 3.2 million passenger cars are equipped with side air bags; and 1.3 million light trucks and MPVs are equipped with side air bags.

The National Insurance Crime Bureau reports that approximately 50,000 air bags are stolen each year, resulting in an annual loss of more than $50 million to vehicle owners and their insurers. The cost to replace air bag modules ranges from $500 to $1,500. The agency is particularly concerned by thefts of air bags because they are an important piece of safety equipment. The agency believes that marking air bags could aid in parts recovery and for use as evidence of vehicle theft.

The agency does not believe that window glazing theft is a widespread problem. Window glazing markings are not for the purpose of preventing glazing from being stolen, but for the purpose of deterring vehicle theft, especially theft and retag operations. The agency believes that marking glazing could provide additional identification of motor vehicles and their replacement parts, as well as providing an additional deterrent to theft of the entire vehicle.

Both the 1998 NHTSA Report to Congress and the 1999 Abt Associates report addressed the issue of expanding the parts marking requirements to cover additional parts. Results of Abt's survey of auto theft investigators indicate that almost all investigators would like the parts marking requirements expanded to cover additional parts. Several commenters on NHTSA's preliminary version of its 1998 Report to Congress supported extending parts marking to air bags and window glazing. Law enforcement agencies and consumer organizations favored subjecting air bags and window glazing to the parts marking requirements. The Florida Motor Vehicle Theft Prevention Authority stated:

> Theft of air bags is a significant problem, and there are few tools that exist to assist the auto theft investigator in identifying stolen air bags, and more importantly, in being able to prosecute individuals for the purchase and sale of stolen air bags.

The Metropolitan Dade County (Florida) Police Department asserted:

> Window etching is another visible marking that needs to be placed on all vehicles at the factory. Window etching acts as a deterrent and an investigative tool. Chop shop operations have had to replace all of the glass on stolen vehicles. Many times this changing of glass is readily identifiable to auto theft investigators. Numerous times, thieves have left windows with the original VIN etched on while altering the rest of the vehicle.

Vehicle manufacturers opposed subjecting air bags and window glazing to the parts marking requirements. Toyota claimed that requiring window glazing to be marked would result in ''additional and unreasonable labor costs to coordinate the marking numbers of the glazing materials with their respective vehicles, all without any demonstrable benefit.'' The AAMA stated that there are serious problems with marking air bag modules for the following reasons:

> Modules are not designated for a specific vehicle prior to installation in the vehicle. Stamping of the air bag housing as a separate part prior to assembly of the air bag is not practicable. In addition, stamping the air bag module at the vehicle assembly plant is also not practicable due to the inherent risk of damage to the module, plus the risk of accidental deployment.

Based on the effectiveness of parts marking in reducing thefts of vehicles and major parts, NHTSA believes that classifying air bags and glazing as major parts subject to the parts marking requirements could deter air bag and vehicle thefts and aid law enforcement agencies in apprehending and prosecuting the thieves. However, the agency currently does not have the statutory authority to subject air bags and window glazing to the parts marking requirements.[31] Nevertheless, the agency is requesting comments on the potential costs and benefits of marking air bags and window glazing and whether the agency should pursue the statutory authority. The agency requests comment on the following questions:

8. What information exists regarding the frequency with which the absence of marking requirements for air bags and glazing compromises law enforcement?

9. Assuming that the agency had the necessary authority, would it be sufficient if the agency required the marking of only specified glazing, e.g., the front and rear windshield glazing, instead of all glazing in a vehicle? If so, which glazing should be specified?

10. How would such a limitation affect the costs of glazing marking?

11. Would marking air bags with the VIN of a specific vehicle be practicable given that they are not designated for a specific vehicle prior to installation?

12. Assuming that the agency had the necessary authority, should the agency require the marking of only frontal air bags, or all air bags, i.e., frontal, side, and side head air bags?

Please provide a rationale with evidence to support any recommendations.

D. Exemptions

The agency notes that this proposed rule would have no effect on exemptions from the parts marking

[30] NHTSA considers the comments of a law enforcement agencies discussed above to be sufficient evidence for the agency to consider requiring more permanent methods of parts marking. However, before issuing a proposed rule specifying additional performance reqirements, the agency would like empirical evidence that current methods of parts marking are insufficient to meet the needs of law enforcement agencies.

[31] 49 U.S.C. 33101(6) defines major parts as the engine, transmission, doors, hood, grille, bumpers, front fender, deck lid, tailgate, hatchback, rear quarter panels, truck floor pan, frame, and any other part of a vehicle that NHTSA specifies as comparable in design or function to any of the specified parts. The agency believes that neither air bags nor window glazing are comparable in design or function to any of the specified parts.

requirements. Currently, 49 U.S.C. 33104(d) provides that once a line has been designated as likely high-theft, it remains subject to the parts marking requirements unless it is exempted under section 33106.[32] Under § 33106, vehicle manufacturers may petition the agency to have a high-theft line exempted from the parts marking requirements, if the line is equipped with an anti-theft device as standard equipment. The exemption is granted if NHTSA determines that the anti-theft device is likely to be as effective as compliance with the parts marking requirements in reducing and deterring motor vehicle thefts.

Under section 33106(2), manufacturers were permitted up to two new exemptions per model year for the model years 1988–1996. For the model years 1997–2000, manufacturers were permitted only one new exemption per model year. After the model year 2000, the number of new exemptions is contingent on findings by the Attorney General.

As discussed earlier in this document, the statute requires the Attorney General to submit two reports, an initial review of the effectiveness of parts marking,[33] and a long-range review of the effectiveness of parts marking.[34] As part of the long-range review, the Attorney General must determine whether the anti-theft devices for which NHTSA grants exemptions ''are an effective substitute for parts marking in substantially inhibiting motor vehicle theft.''[35] Thus, the Attorney General must decide whether NHTSA should continue granting exemptions, and, if so, the number of exemptions the agency may grant per model year.

To date, the Attorney General has submitted only the initial review, not the long-range review.[36] Therefore, the Attorney General has not yet decided whether the exemptions should continue.

In the absence of this review, NHTSA faced the question of whether Congress intended to terminate the exemption authority after model year 2000, or whether it intended the exemptions to be continued pending the Attorney General's decision. After consulting with the Department of Justice, the agency determined that the appropriate reading of the statute is that NHTSA may continue to grant one new exemption per model year as specified by the statute for model years 1997–2000, pending the Attorney General's decision. Thus, the agency has continued to such exemptions.

This proposed rule would not affect these exemptions. Manufacturers would still be allowed to petition the agency to exempt one new line each model year, if the line is equipped with an anti-theft device as standard equipment. NHTSA will revisit this issue when the Attorney General submits the long-range review to the agency.

E. Small Volume Manufacturers

Currently, there are approximately 4 vehicle manufacturers that qualify as small businesses under the Small Business Administration's regulations. Because of their small sales volumes, these manufacturers' vehicles have not been subject to the theft prevention standard. Extending the theft prevention standard to all passenger cars and MPVs will require these manufacturers to comply with the standard for the first time.

There are fixed costs associated with parts marking. With large vehicle manufacturers, these fixed costs are spread out over such large numbers of vehicles as to be insignificant. However, with small vehicle manufacturers, these fixed costs would be spread out over a much smaller number of vehicles.

The agency estimates that the total costs for any vehicle manufacturer that makes fewer than 373 vehicles for sale in the U.S. per year would exceed the statutory limit of $24.86 per vehicle. Thus, the agency is proposing to exclude small volume manufacturers, i.e., those who make fewer than 500 vehicles for sale in the U.S. each year, from the expansion of the theft prevention standard proposed in this document.

The agency requests comment on this issue.

V. Costs and Benefits

Following is a summary of the estimated costs and benefits associated with this proposed rule. For a more detailed analysis, see the agency's Preliminary Regulatory Evaluation (PRE). A copy of the PRE has been placed in the docket.

A. Costs

NHTSA estimates that the cost of parts marking in 2000 dollars is $6.03 per vehicle. The agency estimates that the proposed rule would subject an additional 3.25 million vehicles per year[37] to the parts marking requirements. Thus, the total annual cost would be $19.6 million (3.25 million vehicles × $6.03 per vehicle).

In addition, the agency notes that each replacement part for a part required to be marked must be marked with the manufacturer's registered trademark, or some other unique identifier, and the letter ''R.'' Under this proposal, the parts of 3.25 million additional vehicles would have to be marked. NHTSA does not know the number of replacement parts sold each year for 3.25 million vehicles. However, the agency estimates the cost of marking a replacement part to be $0.50 per part.

B. Benefits

In calendar year 2000, there were 1,165,559 reported stolen vehicles with an average value of $6,682; thus, the total value of vehicles stolen was almost $7.8 billion.[38] The value of unrecovered passenger cars and light duty trucks subject to the parts marking requirements was $2.756 billion. NHTSA estimates that 22 percent of vehicle thefts are of vehicles that are not being marked currently but would be required to be marked under this proposed rule. The agency estimates that the proposed rule would result in a 6.4 percent reduction in the economic loss for unrecovered thefts. Thus, the agency estimates that the value of thefts that could be reduced by this proposal is $38.8 million ($2.756 billion × 22 percent × 6.4 percent).

VI. Rulemaking Analyses and Notices

A. Executive Order 12866 and DOT Regulatory Policies and Procedures

Executive Order 12866, ''Regulatory Planning and Review'' (58 FR 51735, October 4, 1993), provides for making determinations whether a regulatory action is ''significant'' and therefore subject to Office of Management and Budget (OMB) review and to the requirements of the Executive Order. The Order defines a ''significant regulatory action'' as one that is likely to result in a rule that may:

(1) Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or Tribal governments or communities;

[32] NHTSA's regulations implementing the statute are located at 49 CFR Part 543, Exemptions from Vehicle Theft Prevention Standard.

[33] 49 U.S.C. 33103(c).

[34] 49 U.S.C. 33103(d).

[35] 49 U.S.C. 33103(d)(1)(B).

[36] As noted above, the initial review was submitted to NHTSA on July 21, 2000.

[37] This includes the agency's estimate of the light duty truck lines that would have to be marked because they have major parts that are interchangeable with a majority of the covered major parts of a MPV line.

[38] Federal Bureau of Investigation, ''Crime in the United States, 2000,'' pp. 53 and 286. This report can be found on the FBI website at *http://www.fbi.gov/ucr/ucr.htm.*

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

This rulemaking document was not reviewed under Executive Order 12866. It is not significant within the meaning of the DOT's Regulatory Policies and Procedures. However, the agency has prepared a Preliminary Regulatory Evaluation (PRE) for this proposed rule. A copy of the PRE has been placed in the docket.

This mandated regulatory action would extend the parts marking requirements to all passenger cars and multipurpose passenger vehicles (but not light duty trucks) with a GVWR of 6,000 pounds or less. The agency estimates that this regulatory action would extend the parts marking requirements to approximately 3.25 million vehicles each year, and the replacement parts for those vehicles. The agency estimates that the cost of parts marking is $6.03 per vehicle (in 2000 dollars). Thus, the annual cost would be $19.6 million.

The agency also estimates that the cost of marking replacement parts is $0.50 per part. The agency does not know how many replacement parts are sold each year for 3.25 million vehicles. However, since the cost of marking replacement parts is only $0.50, the agency does not believe that the total cost of marking replacement parts would be substantial. Thus, the agency tentatively concludes that this regulatory action would have less than a $100 million annual effect on the economy.

B. Regulatory Flexibility Act

Pursuant to the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*, as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996), whenever an agency is required to publish a notice of rulemaking for any proposed or final rule, it must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rule on small entities (i.e., small businesses, small organizations, and small governmental jurisdictions). The Small Business Administration's (SBA) regulations at 13 CFR part 121 define a small business, in part, as a business entity ''which operates primarily within the United States.'' (13 CFR 121.105(a)). No regulatory flexibility analysis is required if the head of an agency certifies the rule will not have a significant economic impact on a substantial number of small entities. SBREFA amended the Regulatory Flexibility Act to require Federal agencies to provide a statement of the factual basis for certifying that a rule will not have a significant economic impact on a substantial number of small entities.

NHTSA has considered the effect of this proposed rule under the Regulatory Flexibility Act. As noted above, this proposed rule would extend the parts marking requirements to approximately 3.25 million additional vehicles per year, and to the replacement parts for those vehicles. This proposed requirement would affect manufacturers of vehicles and replacement parts.

As noted above, the agency is proposing to exclude manufacturers that make fewer than 500 vehicles for sale in the U.S. each year from the theft prevention standard.

The agency has no information on the number of small manufacturers of replacement parts. However, since NHTSA estimates that the cost of marking replacement parts is only $0.50 per part, the agency believes that this proposed rule would not have a significant impact on these manufacturers.

Based on this analysis, I certify that this proposed rule would not have a significant economic impact on a substantial number of small entities.

C. National Environmental Policy Act

NHTSA has analyzed this rulemaking action for the purposes of the National Environmental Policy Act. The agency has determined that implementation of this proposed rule would not have any significant impact on the quality of the human environment.

D. Executive Order 13132 (Federalism)

Executive Order 13132 requires NHTSA to develop an accountable process to ensure ''meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications.'' ''Policies that have federalism implications'' is defined in the Executive Order to include regulations that have ''substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.'' Under Executive Order 13132, the agency may not issue a regulation with Federalism implications, that imposes substantial direct compliance costs, and that is not required by statute, unless the Federal government provides funds necessary to pay the direct compliance costs incurred by State and local governments, the agency consults with State and local governments, or the agency consults with State and local officials early in the process of developing the proposed regulation. NHTSA also may not issue a regulation with Federalism implications and that preempts State law unless the agency consults with State and local officials early in the process of developing the proposed regulation.

The agency has analyzed this proposed rule in accordance with the principles and criteria set forth in Executive Order 13132 and has determined that it would not have sufficient federalism implications to warrant consultation with State and local officials or the preparation of a federalism summary impact statement. The proposal would not have any substantial effects on the States, or on the current Federal-State relationship, or on the current distribution of power and responsibilities among the various local officials.

E. Civil Justice Reform

This proposed amendment would not have any retroactive effect. Under 49 U.S.C. 33118, whenever a Federal motor vehicle theft prevention standard is in effect, a State or political subdivision of a State may not adopt or maintain a different theft prevention standard for a motor vehicle or replacement part. 49 U.S.C. 32909 sets forth a procedure for judicial review of final rules establishing, amending, or revoking Federal motor vehicle theft prevention standards. That section does not require submission of a petition for reconsideration or other administrative proceedings before parties may file suit in court.

F. Paperwork Reduction Act

Under the Paperwork Reduction Act of 1995 (PRA), a person is not required to respond to a collection of information by a Federal agency unless the collection displays a valid OMB control number. The current parts marking requirements in 49 CFR part 541 are considered a ''collection of information,'' as that term is defined by OMB in 5 CFR part 1320. The OMB control number for those information collection requirements is 2127–0510. If adopted, this proposed rule would expand the parts marking requirements in 49 CFR part 541 to all passenger cars and multipurpose passenger vehicle lines with a GVWR of 6,000 pounds or

less, and low theft light duty truck lines with major parts that are interchangeable with a majority of the covered major parts of multipurpose passenger vehicle lines.

NHTSA has determined that, if made final, this proposed rule would impose new collection of information burdens within the meaning of the Paperwork Reduction Act of 1995 (PRA). Under the PRA, before an agency submits a proposed collection of information to OMB for approval, it must publish a document in the **Federal Register** providing a 60-day comment period and otherwise consult with members of the public and affected agencies concerning each proposed collection of information. The OMB has promulgated regulations describing what must be included in such a document. Under OMB=s regulations, (at 5 CFR 1320.8(d)), an agency must ask for public comment on the following:

(i) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(ii) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(iii) how to enhance the quality, utility, and clarity of the information to be collected; and

(iv) how to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

In compliance with these requirements, NHTSA asks public comment on the collection of information proposed in this notice of proposed rulemaking. Interested persons may obtain a copy of the draft justification statement by contacting Walter Culbreath, NHTSA Information Collection Clearance Officer at (202) 366–1566. A copy of the draft justification statement will also be available at the docket number cited in the heading of this notice. Comments must be received on or before August 26, 2002.

Consolidated Labeling Requirements for 49 CFR parts 565, 541, and 567

Type of Request: Revision of a currently approved clearance.

OMB Clearance Number: 2127–0510.

Form Number: This proposed collection of information would not use any standard forms.

Requested Expiration Date of Approval: Three years from the date of approval of the collection.

Summary of the Collection of Information: Pursuant to a statutory mandate, NHTSA proposes that the Federal Motor Vehicle Theft Prevention Standard, which presently requires specified parts of high-theft vehicles to be marked with vehicle identification numbers (VINs), be extended to include all passenger cars and multipurpose passenger vehicles with a gross vehicle weight rating of 6,000 pounds or less, and to light duty trucks with major parts that are interchangeable with a majority of the covered major parts of multipurpose passenger vehicles.

Description of the Need for the Information and Proposed Use of the Information: The identification of major parts (such as the engine, transmission, fenders, doors) of motor vehicle lines is designed to decrease automobile theft by making it more difficult for criminals to ''chop'' vehicles into component parts and then fence such parts. The parts marking information aids law enforcement officials at all levels of government in the investigation of ''chop shops'' by creating evidence for prosecution of the operators for the possession of stolen motor vehicle parts.

If the information were not available, the legislative goal of a comprehensive scheme against automobile theft would be frustrated. The Theft Prevention Standard would not effectively deter ''chop shop'' operators because law enforcement officials could not readily identify parts in the operators' possession as stolen. Also, without parts marking, when stolen parts are recovered, the parts could not be easily traced back to the owner and returned to the owner or insurer.

Description of the Likely Respondents (Including Estimated Number, and Proposed Frequency of Response to the Collection of Information: NHTSA estimates 30 single and multi-stage motor vehicle manufacturers (manufacturers of passenger cars and multipurpose passenger vehicles with a gross vehicle weight rating of 6,000 pounds or less, and of light duty trucks with major parts that are interchangeable with a majority of the covered major parts of multipurpose passenger vehicles) would be affected by this proposed collection of information. Each manufacturer would be required to mark the 14 major parts of the motor vehicle it manufactures once, at the time the motor vehicle is manufactured.

Estimate of the Total Annual Reporting and Recordkeeping Burden Resulting from the Collection of Information: The total annual reporting burden on motor vehicle manufacturers is estimated as follows:

Estimate of Number of Affected Vehicles: At present, 9.3 million vehicles are high theft lines whose parts must be marked. If this proposed rule is made final, an additional 3.25 million vehicles would have their major parts marked, making a total of 12.55 million cars to be marked.

Estimates of Burden Hours: The cost of labeling the major parts (i.e., a paper label with the VIN is placed on each major part) is less than the cost of stamping the VIN on each major part with a stamping machine. To meet the Theft Prevention Standard, the agency estimates that the time to number and affix each label to a major part is .2 minutes. Thus, the time required to label each vehicle is approximately 2.8 minutes (14 parts × .2 minutes). The additional hourly burden for labeling that would result if this proposed rule is made final is estimated to be 151,666 hours (3.25 million cars × 2.8 minutes per car/60 minutes in an hour). This figure of 151,666 hours would be added to the existing 456,212 hours resulting from the costs of marking high theft lines. If this proposed rule is made final, the hourly burden for labeling all affected motor vehicles would be 607,878 hours.

Estimates of Cost Burden: The agency estimates that the average cost in Year 2000 dollars (the latest year for which figures are available) to label the 14 parts is $6.03 per vehicle, broken down into $3.14 for material and $2.89 for labor. At present, 9.3 million high theft motor vehicles annually must have their major parts marked. At present, the total annual fleet costs are estimated at $56.08 million for label identifiers ($6.03 × 9.3 million vehicles). If this proposed rule is made final, the additional annual cost burden to industry is estimated at $19.6 million ($6.03 × 3.25 million vehicles). If this proposed rule is made final, the cost of labeling all affected motor vehicles would be $75.68 million.

Reductions in Hours and Cost Burdens in Other Theft Program Collections: NHTSA also has a clearance to collect information pursuant to 49 CFR part 542, *Procedures for Selecting Lines to be Covered Under the Theft Prevention Standard* (OMB Clearance No. 5157–0539) for 640 burden hours, and 49 CFR part 543, *Exemption from Vehicle Theft Prevention Standard* (OMB Clearance No. 5157–0542) for 64 burden hours.

If this proposed rule is made final, the part 542 procedure for manufacturers to make high theft/low theft

determinations of new passenger car and multipurpose passenger vehicle lines, and part 543 procedure for exemptions from parts marking for high theft passenger car and multipurpose passenger car lines would no longer be applicable. Part 542 and 543 procedures would then apply only to light trucks. NHTSA estimates that light trucks make up at most 25 percent of total new passenger car, multipurpose passenger vehicle, and light truck sales. For Theft Prevention Standard purposes, sport utility vehicles for the most part are classified as multipurpose passenger vehicles, because they are designed to carry passengers (See 49 CFR 541.4(5)).

Thus, NHTSA estimates that if this proposed rule is made final, the collection of information burden associated with part 542 would be reduced by 75 percent (since new passenger cars and multipurpose passenger vehicles would be excluded), and would decline from 640 hours to 160 hours. NHTSA estimates that if this proposed rule is made final, the collection of information burden associated with part 543 would be reduced by 75 percent, and would decline from 64 hours to 26 hours.

G. National Technology Transfer and Advancement Act

Section 12(d) of the National Technology Transfer and Advancement Act (NTTAA) of 1995 (15 U.S.C. 272) directs NHTSA to use voluntary consensus standards in regulatory activities unless doing so would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., materials specifications, test methods, sampling procedures, and business practices) that are developed or adopted by voluntary consensus standards bodies, such as the Society of Automotive Engineers (SAE). The NTTAA directs NHTSA to provide Congress, through OMB, explanations when the agency decides not to use available and applicable voluntary consensus standards.

There are no applicable voluntary consensus standards available at this time.

H. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires Federal agencies to prepare a written assessment of the costs, benefits, and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of more than $100 million in any one year (adjusted for inflation with base year of 1995). Before promulgating a rule for which a written statement is needed, section 205 of the UMRA generally requires NHTSA to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, most cost-effective, or least burdensome alternative that achieves the objective of the rule. The provisions of section 205 do not apply when they are inconsistent with applicable law. Moreover, section 205 allows NHTSA to adopt an alternative other than the least costly, most cost-effective, or least burdensome alternative if the agency publishes with the final rule an explanation why that alternative was not adopted.

If adopted, this proposed rule would not result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of more than $100 million annually.

I. Plain Language

Executive Order 12866 requires each agency to write all rules in plain language. Application of the principles of plain language includes consideration of the following questions:

—Has the agency organized the material to suit the public's needs?
—Are the requirements in the rule clearly stated?
—Does the rule contain technical language or jargon that is not clear?
—Would a different format (grouping and order of sections, use of headings, paragraphing) make the rule easier to understand?
—Would more (but shorter) sections be better?
—Could the agency improve clarity by adding tables, lists, or diagrams?
—What else could the agency do to make this rulemaking easier to understand?

If you have any responses to these questions, please include them in your comments on this NPRM.

J. Regulation Identifier Number (RIN)

The Department of Transportation assigns a regulation identifier number (RIN) to each regulatory action listed in the Unified Agenda of Federal Regulations. The Regulatory Information Service Center publishes the Unified Agenda in April and October of each year. You may use the RIN contained in the heading at the beginning of this document to find this action in the Unified Agenda.

Comments

How do I prepare and submit comments?

Your comments must be written and in English. To ensure that your comments are correctly filed in the Docket, please include the docket number of this document in your comments.

Your comments must not be more than 15 pages long. (49 CFR 553.21). NHTSA established this limit to encourage you to write your primary comments in a concise fashion. However, you may attach necessary additional documents to your comments. There is no limit on the length of the attachments.

Please submit two copies of your comments, including the attachments, to Docket Management at the address given above under **ADDRESSES.**

You may also submit your comments to the docket electronically by logging onto the Dockets Management System website at *http://dms.dot.gov*. Click on ''Help & Information'' or ''Help/Info'' to obtain instructions for filing the document electronically.

How can I be sure that my comments were received?

If you wish Docket Management to notify you upon its receipt of your comments, enclose a self-addressed, stamped postcard in the envelope containing your comments. Upon receiving your comments, Docket Management will return the postcard by mail.

How do I submit 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 the Chief Counsel, NHTSA, at the address given above under **FOR FURTHER INFORMATION CONTACT.** In addition, you should submit two copies, from which you have deleted the claimed confidential business information, to Docket Management at the address given above under **ADDRESSES.** When you send a comment containing information claimed to be confidential business information, you should include a cover letter setting forth the information specified in our confidential business information regulation. (49 CFR part 512.)

Will the agency consider late comments?

NHTSA will consider all comments that Docket Management receives before the close of business on the comment closing date indicated above under **DATES**. To the extent possible, the agency will also consider comments that Docket Management receives after that

date. If Docket Management receives a comment too late for the agency to consider it in developing a final rule (assuming that one is issued), the agency will consider that comment as an informal suggestion for future rulemaking action.

How can I read the comments submitted by other people?

You may read the comments received by Docket Management at the address given above under **ADDRESSES.** The hours of the Docket are indicated above in the same location.

You may also see the comments on the Internet. To read the comments on the Internet, take the following steps:

1. Go to the Docket Management System (DMS) Web page of the Department of Transportation (*http://dms.dot.gov/*).

2. On that page, click on ''search.''

3. On the next page (*http://dms.dot.gov/search/*), type in the four-digit docket number shown at the beginning of this document. Example: If the docket number were ''NHTSA–1998–1234,'' you would type ''1234.'' After typing the docket number, click on ''search.''

4. On the next page, which contains docket summary information for the docket you selected, click on the desired comments. You may download the comments. Although the comments are imaged documents, instead of word processing documents, the ''pdf'' versions of the documents are word searchable.

Please note that even after the comment closing date, NHTSA will continue to file relevant information in the Docket as it becomes available. Further, some people may submit late comments. Accordingly, the agency recommends that you periodically check the Docket for new material.

List of Subjects

49 CFR Part 541

Administrative practice and procedure, Labeling, Motor vehicles, Reporting and recordkeeping requirements.

49 CFR Part 542

Administrative practice and procedure, National Highway Traffic Safety Administration, Reporting requirements.

In consideration of the foregoing, NHTSA proposes to amend 49 CFR Chapter V as follows:

PART 541—FEDERAL MOTOR VEHICLE THEFT PREVENTION STANDARD

1. The authority citation for part 541 would continue to read as follows:

Authority: 49 U.S.C. 33101, 33102, 33103, 33105; delegation of authority at 49 CFR 1.50.

2. Section 541.3 would be revised to read as follows:

§ 541.3 Application.

This standard applies to the following:

(a) Passenger motor vehicle parts identified in § 541.5(a) that are present:

(1) In passenger cars and multipurpose passenger vehicles with a gross vehicle weight rating of 6,000 pounds or less; and

(2) In light duty trucks that NHTSA has finally determined, pursuant to 49 CFR part 542, to be high theft based on the 1990/91 median theft rate.

(b) Replacement parts for passenger motor vehicles described in § 541.3(a)(1) and (2), if the part is identified in § 541.5(a).

(c) This standard does not apply to passenger motor vehicle parts that are present in passenger cars, multipurpose passenger vehicles, and light duty trucks manufactured by a motor vehicle manufacturer that manufactures fewer than 500 vehicles for sale in the United States each year.

Appendix A to Part 541 [Removed]

3. Appendix A to Part 541—Lines Subject to the Requirements of This Standard would be removed.

4. Section 541.5 would be amended by revising the first sentence of paragraph (e)(2) as follows:

§ 541.5 Requirements for passenger motor vehicles.

* * * * *

(e) * * *

(2) Each manufacturer subject to paragraph (e)(1) of this section shall, not later than 30 days before the line is introduced into commerce, inform NHTSA in writing of the target areas designated for each line subject to this standard. * * *

* * * * *

PART 542—PROCEDURES FOR SELECTING LINES TO BE COVERED BY THE THEFT PREVENTION STANDARD

5. The authority citation for part 542 would continue to read as follows:

Authority: 15 U.S.C. 2021, 2022, and 2023; delegation of authority at 49 CFR 1.50.

6. Section 542.3 would be added to read as follows:

§ 542.3 Procedures for selecting low theft light duty truck lines with a majority of major parts interchangeable with those of a multipurpose passenger vehicle line.

(a) *Scope.* This section sets forth the procedures for motor vehicle manufacturers and NHTSA to follow in the determination of whether any light duty truck lines that have or are likely to have a low theft rate have major parts interchangeable with a majority of the covered major parts of a multipurpose passenger vehicle line.

(b) *Application.* These procedures apply to:

(1) Each manufacturer that produces—

(i) At least one multipurpose passenger vehicle line that has been or will be introduced into commerce in the United States, and

(ii) At least one light duty truck line that has been or will be introduced into commerce in the United States and that the manufacturer identifies as likely to have a theft rate below the median theft rate; and

(2) Each of those likely submedian theft rate light duty truck lines.

(c) *Procedures.* (1) For each light duty truck line that a manufacturer identifies under appendix C of part 541 of this chapter as having or likely to have a theft rate below the median rate, the manufacturer identifies how many and which of the major parts of that line will be interchangeable with the covered major parts of any of its multipurpose passenger vehicle lines.

(2) If the manufacturer concludes that a light duty truck line that has or is likely to have a theft rate below the median theft rate has major parts that are interchangeable with a majority of the covered major parts of a multipurpose passenger vehicle line, the manufacturer determines whether all the vehicles of those lines with submedian or likely submedian theft rates and interchangeable parts will account for more than 90 percent of the total annual production of all of the manufacturer's lines with those interchangeable parts.

(3) The manufacturer submits its evaluations and conclusions made under paragraphs (c)(1) and (2) of this section, together with the underlying factual information, to NHTSA not less than 15 months before the date of introduction. During this period, the manufacturer may request a meeting with the agency to further explain the bases for its evaluations and conclusions.

(4) Within 90 days after its receipt of the manufacturer's submission under paragraph (c)(3) of this section, NHTSA considers that submission, if any, and

independently makes, on a preliminary basis, the determinations of those light duty truck lines with submedian or likely submedian theft rates which should or should not be subject to § 541.5 of this chapter. NHTSA informs the manufacturer by letter of the agency's preliminary determinations, together with the factual information considered by the agency in making them.

(5) The manufacturer may request the agency to reconsider any of its preliminary determinations made under paragraph (c)(4) of this section. The manufacturer must submit its request to the agency within 30 days of its receipt of the letter under paragraph (c)(4) of this section informing it of the agency's evaluations and preliminary determinations. The request must include the facts and arguments underlying the manufacturer's objections to the agency's preliminary determinations. During this 30-day period, the manufacturer may also request a meeting with the agency to discuss those objections.

(6) Each of the agency's preliminary determinations made under paragraph (c)(4) of this section becomes final 45 days after the agency sends the letter specified in that paragraph unless a request for reconsideration has been received in accordance with paragraph (c)(5) of this section. If such a request has been received, the agency makes its final determinations within 60 days of its receipt of the request. NHTSA informs the manufacturer by letter of those determinations and its response to the request for reconsideration.

Issued: June 18, 2002.

Stephen R. Kratzke,

Associate Administrator for Safety Performance Standards.

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