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

Dated: April 9, 1996.

Richard W. Krimm,

Acting Associate Director for Mitigation.

[FR Doc. 96–9606 Filed 4–18–96; 8:45 am]

BILLING CODE 6718–03–P

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

49 CFR Part 391

[FHWA Docket No. MC–96–2]

RIN 2125–AD73

Qualification of Drivers; Vision and Diabetes; Limited Exemptions

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Final rule; technical correction.

SUMMARY: This document corrects the amendatory language for 49 CFR 391.2 in the issue of March 26, 1996, in FR Doc. 96–7226 on page 13346 (61 FR 13338). The March 26 document contained, among other things, a technical amendment to relocate an existing provision on exemptions for intracity zone drivers, found at 49 CFR 391.2(d), to 49 CFR 391.62 so that all limited exemptions from driver qualification standards could be found in the same subpart. Paragraphs 391.2(a), (b), and (c), were to remain unchanged.

Inadvertently, the paragraph designation for § 391.2(d) was omitted in the amendatory language where the text of this paragraph only was redesignated as § 391.62, thereby deleting § 391.2 (a), (b), and (c). This document technically corrects that amendatory language to include the omitted paragraph designation and thereby reinstate the text of § 391.2 (a), (b), and (c).

EFFECTIVE DATE: March 31, 1996.

FOR FURTHER INFORMATION CONTACT: For information regarding program issues: Ms. Sandra Zywokarte, Office of Motor Carrier Research and Standards, (202) 366–4001. For information regarding legal issues: Mr. Paul Brennan, Office of Chief Counsel, (202) 366–0834. Office hours are from 7:45 a.m. to 4:15 p.m., e.t., Monday through Friday, except Federal holidays.

The FHWA hereby corrects the amendatory language for 49 CFR 391.2 as published on March 26, 1996, in FR Doc. 96–7226 on page 13346 to read as follows:

§ 391.2(d) [Redesignated as § 391.62]

2. Part 391 is amended by redesignating § 391.2(d) as § 391.62 and revising it to read as follows:

Authority: 49 U.S.C. 504, 31133, 31136, and 31502; and 49 CFR 1.48.

Issued on: April 8, 1996.

Edward V.A. Kussy,

Acting Chief Counsel.

[FR Doc. 96–9557 Filed 4–18–96; 8:45 am]

BILLING CODE 4910–22–M

National Highway Traffic Safety Administration

49 CFR Part 583

[Docket No. 92–64; Notice 08]

RIN 2127–AG03

Motor Vehicle Content Labeling

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

ACTION: Denial of petition for reconsideration.

SUMMARY: The American Automobile Labeling Act requires passenger motor vehicles (passenger cars and other light vehicles) to be labeled with information about their domestic and foreign parts content. NHTSA issued a final rule in July 1994 to implement that statute. In September 1995, in response to petitions for reconsideration, the agency issued a final rule modifying that final rule. This document responds to a petition for reconsideration of the September 1995 final rule. Upon review, the agency is denying the petition.

FOR FURTHER INFORMATION CONTACT: Mr. Orron Kee, Office of Planning and Consumer Programs, National Highway Traffic Safety Administration, Room 5313, 400 Seventh Street SW., Washington, DC 20590 (202–366–0846).

SUPPLEMENTARY INFORMATION:

Background

On July 21, 1994, NHTSA published in the Federal Register (59 FR 37294) a new regulation, 49 CFR Part 583, Automobile Parts Content Labeling, to implement the American Automobile Labeling Act (Labeling Act). That Act, which is codified at 49 U.S.C. 32304, requires passenger motor vehicles to be labeled with information about their domestic and foreign parts content.

Under the Labeling Act and Part 583, vehicle manufacturers are required to affix to all new passenger motor vehicles a label which provides the following information: U.S./Canadian Parts Content, Major Sources of Foreign Parts Content, Final Assembly Point, Country of Origin for the Engine, and Country of Origin for the Transmission. Vehicle manufacturers must calculate the information for the label, relying on information provided to them by suppliers. Under the 1994 final rule, manufacturers and allied suppliers are required to request their suppliers to provide the relevant content information specified in Part 583, and the suppliers are required to provide the specified information in response to such requests.

NHTSA received a number of petitions for reconsideration of the 1994 final rule, including one from the American Automobile Manufacturers Association (AAMA). NHTSA issued two notices in response to those petitions.

In a final rule published in the Federal Register (60 FR 14228) on March 16, 1995, NHTSA partially responded to the petitions for reconsideration by extending, for an additional year, a temporary alternative approach for data collection and calculations. This approach permits manufacturers and suppliers to use procedures that are expected to yield similar results to the full procedures set forth in Part 583. NHTSA provided this temporary alternative approach in the 1994 final rule because there was insufficient remaining time, before the statutory date for beginning to provide labeling information, for manufacturers to complete the full procedures. The agency provided the one-year extension of the temporary approach in light of a substantial number of complex issues raised about the full procedures in the petitions for reconsideration and the time needed by the agency to address those issues.

The agency completed its response to the petitions in a final rule published in the Federal Register (60 FR 47878) on September 15, 1995. The agency made a number of changes to reduce the burdens associated with making content calculations and to produce more accurate information.

The agency received one petition for reconsideration of the September 1995 final rule. AAMA re-raised an issue that it had raised in its first petition, concerning a provision in Part 583 which specifies that the U.S./Canadian content of components must be defaulted to zero if suppliers fail to respond to a manufacturer's or allied supplier's request for content information. In initially adopting this provision in the July 1994 final rule, the agency stated that it did not believe that this situation will occur very often and that the provision will ensure that U.S./

Canadian content is not overstated as a result of the manufacturer or allied supplier simply assuming that equipment is of U.S./Canadian origin in the absence of information from the supplier.

AAMA's First Petition and NHTSA's Response

In its first petition for reconsideration, AAMA argued that the agency's expectation that few suppliers will fail to report is unreasonable, especially within the first few years of implementation of Part 583. For purposes of comparison, that organization stated that requests by one of its members for data from suppliers for NAFTA certificates of origin had yielded a response rate of only 50 to 60 percent. (In later information provided to the agency, AAMA indicated that the percentage of suppliers reporting under NAFTA ranged from 60 to 65 percent for GM, Ford and Chrysler.)

AAMA argued in its first petition that the content information ultimately provided to consumers will be more accurate if manufacturers are permitted to establish the U.S./Canadian content of components by other means when a supplier fails to respond. That organization recommended that if a manufacturer or allied supplier does not receive a response to its request for information, the manufacturer or allied supplier should be permitted to use the information in its records to determine the U.S./Canadian content. The determination could be made by such means as examining the customs marking country, applying the substantial transformation test, or other methodologies used for customs purposes.

After considering AAMA's request in its petition for reconsideration of the July 1994 final rule, NHTSA concluded that it would be inappropriate under the statute to make the requested change. The agency provided the following explanation:

> * * * the Labeling Act provides that passenger motor vehicle equipment supplied by outside suppliers is considered U.S./Canadian if at least 70 percent of its value is added in the U.S./Canada. See 49 U.S.C. 32304(a)(9). The Labeling Act also provides that outside suppliers are required to certify, among other things, whether their equipment is of U.S./Canadian origin.
>
> While it might appear at first glance to be reasonable to permit manufacturers and allied suppliers to make origin determinations concerning equipment provided by an outside supplier in the event that the outside supplier fails to do so, the problem is that the manufacturers and allied suppliers will not possess the information needed to make the required determination. The agency assumes that this is why AAMA suggests that manufacturers and allied suppliers be permitted to determine whether equipment is U.S./Canadian based on methods other than the value added approach specified in the statute. However, the results that would be obtained from those other methods would not necessarily be consistent with the value added approach.
>
> NHTSA also notes that the most likely instance in which an outside supplier would not want to provide the required information is when the U.S./Canadian content was below 70 percent. In such an instance, it would be particularly inappropriate to permit the manufacturer to use alternative methods for determining whether the equipment was U.S./Canadian.
>
> Moreover, the agency believes that vehicle manufacturers can obtain the required information from suppliers, assuming that the manufacturers and suppliers have the time to make any necessary arrangements. Apart from the fact that outside suppliers are required by Federal law to provide the information to manufacturers and allied suppliers, the outside suppliers are dependent on the auto manufacturers for their business. While NHTSA understands that there may be some confusion at the time a new program is first implemented, it does not believe that suppliers will deliberately refuse to provide the information in response to manufacturers' and allied suppliers' requests. The agency notes that the manufacturers can put specific provisions in their purchase agreements to ensure that they receive the required information.
>
> In its March 1995 initial response to petitions, NHTSA extended by one year the temporary alternative approach for data collection and calculations which permits manufacturers and suppliers to use procedures that are expected to yield similar results. For a more complete discussion of this alternative, see 59 FR 37324–25, July 21, 1994.
>
> The extension of this temporary alternative gives an extra year for manufacturers and suppliers to work out any arrangements that are necessary to ensure that suppliers provide the necessary information to manufacturers. The agency believes that this should provide appropriate flexibility in light of AAMA's concerns.
>
> 60 FR 47888.

AAMA's Second Petition and NHTSA's Response

AAMA continues to be concerned about the provision in Part 583 which specifies that the U.S./Canadian content of components must be defaulted to zero if suppliers fail to respond to a manufacturer's or allied supplier's request for content information. In its new petition for reconsideration, AAMA noted that the September 1995 final rule provided outside suppliers additional flexibility for determining U.S./Canadian content and argued that the same flexibility should be provided for vehicle manufacturers in situations where suppliers fail to respond to requests for content information. AAMA argued that NHTSA's expectation that simple contractual provisions can resolve problems in gathering required data is incorrect and that the existing ''default-to-zero'' provision will result in inaccurate information being provided to consumers.

NHTSA has carefully considered AAMA's arguments. For reasons discussed below, the agency continues to believe that it would be inappropriate under the statute to make the requested change.

The purported need to change the current provision rests on the assumption that the vehicle manufacturers will be unable to obtain the necessary content information from outside suppliers, notwithstanding that Federal law requires the suppliers to provide this information. Further, as discussed above, NHTSA noted in the September 1995 notice that the vehicle manufacturers can put specific provisions in their purchase agreements to ensure that they receive the required information.

AAMA stated in its new petition for reconsideration that while NHTSA assumes that all problems in gathering the required data can be resolved by simple contractual provisions, its member companies' extensive real-world experience refutes this notion. AAMA stated that the elements of cost that lead to the ultimate price of a product are considered by most business entities to be proprietary and are not shared with the customer. AAMA stated that the industry's experience demonstrates that, even with protracted efforts to obtain the data from suppliers and multiple follow-up contacts, not all suppliers will respond. According to AAMA, ''best efforts'' for one manufacturer have resulted in response rates of approximately 70 percent. AAMA also argued that in an age of increased single-sourcing and reliance on just-in-time delivery, it is unrealistic for the agency to believe a nonresponsive supplier could or would be replaced by a manufacturer simply for not providing content data.

NHTSA notes that AAMA's petition did not discuss whether its member companies experienced difficulty in obtaining content information from suppliers in the presence or absence of specific contractual provisions intended to ensure the provision of content information by suppliers. As stated in the September 1995 notice, outside suppliers are dependent on the vehicle manufacturers for their business. Therefore, the agency believed, and continues to believe, that the ability to obtain the necessary content

information is within the control of the vehicle manufacturers.

The purpose of including any specific provision in a business contract is to make observance of the terms of that provision a required element of the business relationship. Just as such things as meeting material specifications, strength requirements and specified time of delivery are a necessary part of a supplier's doing business with a vehicle manufacturer and are ensured by provisions included in contractual agreements, the providing of content information can also be made a necessary part of that business relationship and be reflected in the purchase contract.

Moreover, just as liquidated damages clauses can be inserted in a contract for failure to comply with any other part of the contract, so can such a provision be included for failure to provide timely content reports. If a supplier knows that it will be paid less money if it fails to provide content information, it will have a strong incentive to provide the information.

The agency also notes that the supplier industry is highly competitive. If one supplier is unwilling to agree to provide content information (an agreement to do no more than comply with existing Federal law), other suppliers would step in to take advantage of the opportunity for new business.

For the above reasons, including those presented in the September 1995 notice, NHTSA continues to believe that the vehicle manufacturers will be able to obtain the required content information from their suppliers. While the rest of AAMA's arguments appear to be premised on the manufacturers' inability to obtain that information, the agency will nonetheless discuss those arguments.

AAMA argued that substantial nonreporting, such as the 30 percent experienced despite the ''best efforts'' of one of its members, would result in inaccurate labeling. However, NHTSA believes that substantial nonreporting can be avoided if the vehicle manufacturers utilize the types of contractual provisions discussed above. Moreover, as suppliers become familiar with the content labeling program, those providing parts having at least 70 percent U.S./Canadian content have an additional incentive to report that information. To the extent that vehicle manufacturers wish to adverse their vehicles with as high a domestic percentage as possible, it is to the competitive advantage of suppliers with parts having at least 70 percent U.S./Canadian content to provide the necessary information to the vehicle manufacturers. For this reason, and the others discussed above and in the September 1995 notice, the agency believes that these suppliers will not refuse to provide information to the vehicle manufacturers. Therefore, substantial nonreporting will not result in inaccurate labeling.

AAMA also argued that NHTSA should not assume that the vehicle manufacturers have insufficient knowledge of their suppliers to make reliable content estimates. As indicated above, AAMA noted that the September 1995 final rule provided outside suppliers additional flexibility for determining U.S./Canadian content and argued that the same flexibility should be provided for vehicle manufacturers in situations where suppliers fail to respond to requests for content information.

The November 1994 final rule specified that outside suppliers could only count the materials they used in producing equipment as U.S./Canada to the extent that they had ''traced'' value added in the U.S./Canadian to the extent that they had ''traced'' value added in the U.S./Canada, back to raw materials. In the September 1995 final rule, the agency provided additional flexibility to suppliers by permitting them to base their estimate of value added in the U.S./Canada on all information that is available to the supplier, e.g., information in its records, information it can obtain from its suppliers, the supplier's knowledge of manufacturing processes, etc. AAMA argued that the nonresponsive supplier issue is essentially the ''same basic issue at the manufacturers' level'' as the tracing issue was at the supplier level and that the agency should not have treated the issues differently.

NHTSA believes that there are fundamental differences between the tracing issue and the nonresponsive supplier issue. The agency decided to permit greater flexibility with respect to how suppliers determine the U.S./Canadian value of the materials they use to produce equipment primarily to avoid unnecessary burdens on suppliers. Tracing would have been costly, and potentially impossible at production stages far removed from the supplier. The nonresponsive supplier issue is not related to regulatory burdens and, as discussed above, the agency believes vehicle manufacturers have the ability to obtain the required information from suppliers.

The agency also notes that there appears to be a paradox in AAMA's suggesting that vehicle manufacturers have sufficient knowledge of their suppliers to make reliable content estimates, while at the same time stating that suppliers consider the elements of cost that lead to the ultimate price of a product to be proprietary information not to be shared with the customer. The content determination at issue is whether a particular item of equipment has, or does not have, at least 70 percent value added in the U.S./Canada. To make this determination, it is necessary to know a great deal about the value added by the supplier and the source of materials used by the supplier. The supplier is obviously in a much better position to make this determination about its own equipment than the vehicle manufacturer because, for one thing, the supplier knows how much value it added to the equipment.

While AAMA's petition focused on the nonresponsive supplier issue, that organization also raised an issue concerning the specified procedures for outside suppliers to use in estimating the U.S./Canadian content of materials they purchase to produce items of passenger motor vehicle equipment. Under the September 1995 final rule, the suppliers are to make a good faith estimate of the value added in the U.S. or Canada (to the extent necessary to make required determinations concerning the value added in the U.S./Canada of their passenger motor vehicle equipment), based on ''information that is available to the supplier, e.g., information in its records, information it can obtain from its suppliers, the supplier's knowledge of manufacturing processes, etc.'' See § 583.6(c)(4)(ii). AAMA stated that when applying any of the optional methods, outside suppliers should not be required to obtain value information from suppliers that have no responsibility under the statute to respond.

NHTSA notes that the Labeling Act (§ 32304(e)) required the agency to issue regulations which include provisions requiring outside suppliers to certify whether their passenger motor vehicle equipment is of U.S./Canadian origin. Moreover, as indicated above, the Labeling Act provides that this determination must be based on whether the equipment has at least 70 percent value added in the U.S./Canada. Therefore, the content of the materials used to produce the equipment is a significant factor in determining whether the equipment is U.S./Canadian.

The agency decided not to include requirements for lower-tier suppliers in Part 583, as part of an effort to avoid unnecessary costs and keep the regulatory scheme as simple as possible. This does not, however, change the fact

that ''first-tier'' outside suppliers must certify whether their equipment has at least 70 percent value added in the U.S./Canada. It also does not change the fact that lower-tier suppliers, especially the ones with which the outside suppliers deal directly, are a reliable source for obtaining information that is relevant to making that determination.

NHTSA believes it is reasonable to require outside suppliers to make good faith estimates based on the information that is available to them, and reliable information may well be available from their suppliers. Therefore, the agency believes the current requirement is reasonable.

Upon review, based on the reasons discussed above, NHTSA denies AAMA's petition for reconsideration.

(Authority: 49 U.S.C. 32304; delegation of authority at 49 CFR 1.50.)

Issued on: April 15, 1996.

Ricardo Martinez,

Administrator.

[FR Doc. 96–9705 Filed 4–18–96; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 672

[Docket No. 960129018–6018–01; I.D. 041296C]

Groundfish of the Gulf of Alaska; Deep-water Species Fishery by Vessels using Trawl Gear

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

ACTION: Closure.

SUMMARY: NMFS is prohibiting directed fishing for species that comprise the deep-water species fishery by vessels using trawl gear in the Gulf of Alaska (GOA). This action is necessary because the second seasonal bycatch allowance of Pacific halibut apportioned to the deep-water species fishery in the GOA has been caught.

EFFECTIVE DATE: 12 noon, Alaska local time (A.l.t.), April 15, 1996, until 12 noon, A.l.t., July 1, 1996.

FOR FURTHER INFORMATION CONTACT: Mary Furuness, 907–586–7228.

SUPPLEMENTARY INFORMATION: The groundfish fishery in the GOA exclusive economic zone is managed by NMFS according to the Fishery Management Plan for Groundfish of the Gulf of Alaska (FMP) prepared by the North Pacific Fishery Management Council under authority of the Magnuson Fishery Conservation and Management Act. Fishing by U.S. vessels is governed by regulations implementing the FMP at 50 CFR parts 620 and 672.

In accordance with § 672.20(f)(1)(i) the deep-water species fishery, which is defined at § 672.20(f)(1)(i)(B)(2) was apportioned 300 mt of Pacific halibut prohibited species catch for the second season, the period April 1, 1996, through June 30, 1996 (61 FR 4304, February 5, 1996).

The Director, Alaska Region, NMFS, has determined, in accordance with § 672.20(f)(3)(i), that vessels participating in the trawl deep-water species fishery in the GOA have caught the second seasonal bycatch allowance of Pacific halibut apportioned to that fishery. Therefore, NMFS is prohibiting directed fishing for each species and species group that comprise the deep-water species fishery by vessels using trawl gear in the GOA. The species and species groups that comprise the deep-water species fishery are: all rockfish of the genera *Sebastes* and *Sebastolobus*, Greenland turbot, Dover sole, Rex sole, arrowtooth flounder, and sablefish.

After the effective date of this closure the maximum retainable bycatch amounts, calculated using the retainable percentages at § 672.20(g), apply at any time during a trip.

Classification

This action is taken under 50 CFR 672.20 and is exempt from review under E.O. 12866.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: April 15, 1996.

Richard H. Schaefer,

Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service.

[FR Doc. 96–9712 Filed 4–16–96; 3:34 pm]

BILLING CODE 3510–22–F

50 CFR Part 675

[Docket No. 960129019–6019–01; I.D. 041596A]

Groundfish of the Bering Sea and Aleutian Islands Area; Pacific Ocean Perch in the Western Aleutian District

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

ACTION: Modification of a closure.

SUMMARY: NMFS is opening directed fishing for Pacific ocean perch in the Western Aleutian District of the Bering Sea and Aleutian Islands management area (BSAI). This action is necessary to fully utilize the total allowable catch (TAC) of Pacific ocean perch in this area.

EFFECTIVE DATE: 12 noon, Alaska local time (A.l.t.), April 15, 1996, until 12 midnight, A.l.t., December 31, 1996.

FOR FURTHER INFORMATION CONTACT: Mary Furuness, 907–586-7228.

SUPPLEMENTARY INFORMATION: The groundfish fishery in the BSAI exclusive economic zone is managed by NMFS according to the Fishery Management Plan for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area (FMP) prepared by the North Pacific Fishery Management Council under authority of the Magnuson Fishery Conservation and Management Act. Fishing by U.S. vessels is governed by regulations implementing the FMP at 50 CFR parts 620 and 675.

In accordance with § 675.20(a)(7)(ii), the TAC of Pacific ocean perch for the Western Aleutian District was established by the Final 1996 Harvest Specifications of Groundfish (61 FR 4311, February 5, 1996) for the BSAI as 5,143 metric tons (mt). The Western Aleutian District was closed to directed fishing for Pacific ocean perch on March 20, 1996 (58 FR 12041, March 25, 1996). As of March 30, 1996, 1,465 mt remain unharvested.

The Director, Alaska Region, NMFS, has determined that the 1996 TAC for Pacific ocean perch in the Western Aleutian District has not been reached. Therefore, NMFS is terminating the previous closure and is reopening directed fishing for Pacific ocean perch in the Western Aleutian District.

All other closures remain in full force and effect.

Classification

This action is taken under § 675.20 and is exempt from review under E.O. 12866.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: April 15, 1996.

Richard W. Surdi,

Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service.

[FR Doc. 96–9618 Filed 4–15–96; 4:16 pm]

BILLING CODE 3510–22–F