compliance date is January 1, 1997. For HMOs and HIOs entering into Medicaid contracts or agreements during this period, the regulation becomes applicable on the first anniversary date in 1997 of the effective date of their contract or agreement.

- For all affected HMOs, CMPs, and HIOs that enter into contracts or agreements on or after January 1, 1997, whether for Medicare or Medicaid, the regulation becomes applicable on the effective date of the contract or agreement.

There are two exceptions to the general rule set forth above:

- The requirement in § 417.479(g)(1) that surveys be conducted of plan enrollees and disenrollees under specified circumstances must be met within 1 year of the compliance date for the plan in question, as set forth above. This allows affected HMOs, CMPs, and HIOs discretion on the timing of the survey and permits them to combine it with a survey they may already be conducting and to survey all the enrollees in their sample at the same time.
- The requirement in § 417.479(h)(1)(vi) that plans disclose capitation payments for the most recent year must be met, by all plans with contracts or agreements in effect on December 31, 1996, by April 1, 1997, disclosing information for calendar year 1996. Plans with new agreements on or after January 1, 1997, must comply by April 1 of the first year after the year of the effective date, disclosing data for the calendar year of the effective date.

II. Other Provisions of the March 27 Regulation

This document does not address any of the requirements set forth in the March 27, 1996, final rule other than the compliance dates. All of the obligations of prepaid plans set forth in the regulation remain intact. The March 27, 1996, rule provided a 60-day opportunity for comment. We have received a variety of comments in response to it. We will be publishing a document in the Federal Register later, evaluating and responding to these comments. In the meantime, prepaid plans affected by this regulation should be making arrangements to comply with the requirements as set forth on March 27, in accordance with the compliance dates established in this document.

III. Technical Corrections in Nomenclature

The March 27 rule inadvertently reversed a nomenclature change that a previous final rule identified as OCC–015 (published on July 15, 1993, at 58 FR 134) had made throughout part 417. This document corrects the oversight by restoring the precise terms ''HMO'' and ''CMP'' that are currently used throughout part 417 instead of the generic ''organization''.

IV. Waiver of Prior Notice and Comment

Changes in final regulations are ordinarily published in proposed form to provide for a period of public comment prior to the change taking effect. However, we may waive this procedure if we find good cause that prior notice and comment are impractical, unnecessary, or contrary to public interest. We find good cause to implement the changes made in this notice without prior notice and comment because the delay in prior notice and comment would be impractical and contrary to the public interest. As set forth above, we do not believe that it would be reasonable to expect HMOs, CMPs, and HIOs to be in compliance with the requirements that the final rule indicated these entities were required to comply with by May 28, 1996. We have already communicated with affected entities the fact that we were planning to publish a notice changing these compliance dates and would not take enforcement actions under the regulations pending this change. We believe that it is not in the public interest for regulatory compliance obligations to be imposed under a timeframe that both the entities affected and we believe to be unreasonable and impractical. Given the fact that some of these compliance obligations have already taken effect, we believe that it would be impractical to leave these obligations in place pending a public notice and comment process.

Corrections

§ 417.479 [Corrected]

1. On page 13446, column 3, in § 417.479(a) introductory text, ''organization'' is revised to read ''HMO or CMP''.

2. On page 13447, column 1, in paragraph (b), ''eligible organizations'' is revised to read ''HMOs and CMPs''; in the definitions in paragraph (c) of ''bonus'', ''payments'', and ''physician incentive plan'', ''organization'', wherever it appears, is revised to read ''HMO or CMP'', and in the definition of ''payments'', ''this subpart'' is revised to read ''this section''.

3. On page 13447, column 2, in the definition of ''withhold'', ''organization'' is revised to read ''HMO or CMP'', and in paragraph (d), ''organization's'' is revised to read ''HMO's or CMP's''.

4. On page 13447, column 3, in paragraph (g) introductory text, ''organizations'' is revised to read ''HMOs and CMPs'', and in paragraph (g)(1)(i), ''organization'' is revised to read ''HMO or CMP'', and ''organization's'' is revised to read ''HMO's or CMP's''.

5. On page 13448, column 1, in paragraph (g)(2)(ii) introductory text and paragraph (g)(2)(iii), ''organization'', wherever it appears, is revised to read ''HMO or CMP'', and in paragraphs (h)(1) introductory text and (h)(1)(v)(B), ''organization'' is revised to read ''HMO or CMP''.

6. On page 13448, column 2, in paragraphs (h)(2)(i) introductory text, (h)(2)(ii) introductory text, (h)(3) introductory text, and paragraph (i)(1) introductory text, ''organization'' is revised to read ''HMO or CMP''.

7. On page 13448, column 3, in paragraph (i)(2) introductory text, and the heading of paragraph (j), ''organization'' is revised to read ''HMO or CMP'', and in the text of paragraph (j), ''eligible organization'' is revised to read ''HMO or CMP''.

(Catalog of Federal Domestic Assistance Program No. 93.733—Medicare—Hospital Insurance Program; No. 93.774—Medicare Supplementary Medical Insurance Program; No. 93.778—Medical Assistance Program)

Dated: August 4, 1996.

Bruce C. Vladeck,

Administrator, Health Care Financing Administration.

Dated: August 14, 1996.

Donna E. Shalala,

Secretary.

[FR Doc. 96–22147 Filed 8–30–96; 8:45 am]

BILLING CODE 4120–01–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Part 583

[Docket No. 92–64; Notice 9]

RIN 2127–AG46

Motor Vehicle Content Labeling

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

ACTION: Temporary final rule; Request for comments.

SUMMARY: Under NHTSA's content labeling program, passenger motor vehicles (passenger cars and other light vehicles) are required to be labeled with

information about their domestic and foreign parts content. In response to petitions for rulemaking submitted by the American Automobile Manufacturers Association and General Motors, the agency is making a limited, temporary amendment to its content calculation procedures to provide vehicle manufacturers added flexibility in making content determinations where outside suppliers have not responded to requests for content information. This flexibility will only be available for up to 10 percent, by value, of a carline's total parts content from outside suppliers, and only for carlines offered for sale prior to January 1, 1997. It will also only be available where manufacturers or allied suppliers have made a good faith effort to obtain the information. The agency is requesting comments on whether to provide this or similar added flexibility for a longer period of time.

DATES: *Effective date:* The amendments made by this temporary rule are effective September 3, 1996.

Comments: Comments must be received on or before October 3, 1996.

ADDRESSES: Comments should refer to the docket and notice number of this notice and be submitted to: Docket Section, Room 5109, National Highway Traffic Safety Administration, 400 Seventh Street, SW., Washington, DC 20590. (Docket Room hours are 9:30 a.m.–4 p.m., Monday through Friday.)

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

For legal issues: Mr. J. Edward Glancy, Office of Chief Counsel, National Highway Traffic Safety Administration, 400 Seventh Street, SW., Washington, DC 20590 (202–366–2992).

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. Interested persons are encouraged to read the July 1994 notice for a detailed explanation of this program.

NHTSA received several petitions for reconsideration of the July 1994 final rule, and has subsequently published three notices addressing issues raised in those or subsequent 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 option, which ceased to be available effective June 1, 1996, permitted 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 initial set of 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.

NHTSA received one petition for reconsideration of the September 1995 final rule, from the American Automobile Manufacturers Association (AAMA). That organization 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 is defaulted to zero if outside suppliers fail to respond to a manufacturer's or allied supplier's request for content information.

On April 19, 1996, NHTSA published in the Federal Register (61 FR 17253) a notice denying AAMA's petition. The agency explained that it believes that the ability to obtain the necessary content information from suppliers is within the control of the vehicle manufacturers.

Petitions for Rulemaking

NHTSA has received petitions for rulemaking from AAMA (on behalf of some of its members) and General Motors (GM) which again raise concerns about the provision in Part 583 which specifies that the U.S./Canadian content of components is defaulted to zero if suppliers fail to respond to a manufacturer's or allied supplier's request for content information. According to the petitioners, although a great deal of effort has been put forth to obtain certificates from suppliers, some vehicle manufacturers continue to have difficulty with non-responsive suppliers. The petitioners requested that the agency immediately extend for an additional six months the temporary procedures that have been in place for the last two years. The petitioners also requested again that NHTSA permit vehicle manufacturers and allied suppliers to make good-faith content determinations when their outside suppliers fail to do so.

AAMA and GM made several arguments in support of their petitions. First, the petitioners stated that NHTSA took six months to respond to the earlier petition for reconsideration, leaving only six weeks for manufacturers to calculate U.S./Canadian content for 1997 model year vehicles under new rules. They argued that it is unreasonable to expect compliance with this provision of the rule when the agency took so long to respond to the earlier petition.

Second, AAMA and GM stated that while NHTSA has concluded that automakers can easily cause supplier compliance by contract, the supplier relationship is much more complex than whether the supplier provides one piece of data to the purchaser. They argued that to expect a shift in production from one supplier to another for not supplying AALA data is not realistic. The petitioners also argued that even if a non-responsive supplier is penalized under the contract, the penalty paid to the manufacturer is not compensatory because the ''damages'' that result are not financial but result in an understated U.S./Canadian content value for the manufacturer's vehicles.

Third, AAMA and GM argued that any procedure that requires 100 percent compliance and does not provide alternative approaches to determine the result will understate the U.S./Canadian value and provide false information to the consumer. Finally, AAMA and GM stated that NHTSA permits outside suppliers to make certain ''best effort'' determinations of where value was added, and argued that it is inequitable not to permit allied suppliers and vehicle manufacturers this same flexibility.

Representatives of GM met with NHTSA staff on June 12 to provide additional information in support of that company's petition. Among other things, they discussed a letter which Chrysler had sent to NHTSA Deputy Administrator Philip R. Recht on May 9 concerning Chrysler's success in

obtaining information from suppliers. Chrysler's letter, from Vice Chairman and Chief Administrative Officer T. G. Denomme, read as follows:

> At our recent meeting with Secretary Peña, I mentioned that we were not experiencing much success with our suppliers on submitting information required under labeling legislation. You asked if we had leveraged our suppliers on this issue.
>
> After our meeting, I got into the issue in more detail. As it turns out, you were correct on this one. We had not pushed the suppliers hard enough. On April 25, only 46% of our suppliers had returned the labeling forms (873 suppliers out of 1,924 total). With a renewed effort on our part, by May 7 we had pushed that figure to 81% response with an expectation of getting well into the 90% level by this summer.
>
> I send you this because I did not want to leave you with the wrong impression on this issue. It now appears Chrysler should be in position to not only comply with the terms of the legislation, but also to have virtually all of our suppliers reporting as well.

The GM representatives stated that GM's situation is different than Chrysler's because of several factors. GM said it has more than 13,000 suppliers, while Chrysler has 1,924. GM is highly vertically integrated; Chrysler is not. Because of vertical integration, GM must trace parts through multiple tiers internally and externally. Finally, the GM representatives stated that their company's multiplicity of carlines makes the determination of domestic content more complex.

The GM representatives also discussed their efforts to obtain certificates from outside suppliers. A number of GM employees have been working full-time for the past several weeks to obtain certificates from outside suppliers who have not responded to previous requests.

The GM representatives indicated that, despite these efforts, the stated domestic content of some of GM's cars will fall by about 10 percentage points (e.g., from 95% in model year 1996 to 85% in model year 1997), solely as a result of defaulting non-reporting supplier content to zero domestic content. They also discussed, by way of example, a vehicle for which GM has had particular difficulty ''getting the last 9% [of content] identified.''

The GM representatives argued that, unless the agency provides immediate relief, consumers will receive information about that company's vehicles which is inaccurate. The need for immediate relief arises from the fact that the vehicle manufacturers are in the final stages of making content calculations for their model year 1997 vehicles. Under the content labeling program, these calculations are made only once per model year for a carline. Subsequent to the meeting, GM sent the agency a list of its 1997 model year startup dates. Most of the startup dates were between late June and very early August, with many in the middle of July.

Response to Petitions

NHTSA notes that the AAMA and GM petitions re-raise many issues which the agency has addressed at length in responding to previous petitions. Since the petitions did not provide any new arguments significantly different from the ones previously offered by the petitioners, the agency is not changing its views with respect to those basic issues.

However, based on the new information provided by AAMA and GM, NHTSA has decided that a very narrow, temporary change should be made in the content calculation procedures. The agency is amending Part 583 to provide that, in limited situations where outside suppliers have not responded to requests for content information, allied suppliers and manufacturers are permitted to make those content calculations. This flexibility will only be available if the allied supplier or manufacturer has a good faith basis for making the calculation. Moreover, this flexibility will only be available for up to 10 percent, by value, of a carline's total parts content from outside suppliers. Finally, the flexibility will only be available where manufacturers or allied suppliers have made a good faith effort to obtain the information.

Today's amendment applies only to carlines offered for sale before January 1, 1997. The agency has not decided whether the applicability of the amendment, or a similar one, should be extended past that date. However, the agency is requesting comments on that issue.

NHTSA is issuing today's amendment in light of several factors. On the one hand, NHTSA believes that Chrysler's experience demonstrates that the ability to obtain the necessary content information from suppliers is within the control of the vehicle manufacturers. However, the agency also agrees that there are differences between Chrysler and GM, related to number of suppliers and degree of vertical integration, which make efforts by GM to obtain content information from its suppliers considerably more complex.

The agency has previously recognized that a certain amount of confusion is likely during the time period when a new program, such as content labeling, is implemented. The content labeling program is still a relatively new program. Indeed, model year 1997 is the first year for which the full content calculation procedures of Part 583 are required, i.e., the temporary alternative procedures are not available.

The agency believes that GM has demonstrated that it has been making significant efforts in recent months to obtain content information from non-responsive suppliers. Moreover, GM has shown that, despite those efforts, it is having difficulty obtaining information for the last portion of a carline's content.

Finally, NHTSA believes that, all other things being equal, a good faith content determination by a vehicle manufacturer or allied supplier of equipment it receives is likely to be more accurate than simply applying a ''default-to-zero'' provision. Thus, adoption of today's amendment should result in more accurate information for consumers.

The agency recognizes, of course, that the most accurate determinations are those provided by the outside suppliers themselves, since they obviously have much more complete information about the content of the equipment they manufacture than the purchaser. Therefore, the agency must consider whether its actions would have the effect of reducing the incentives for outside suppliers to provide the required information, or for the vehicle manufacturers to make efforts to obtain the information.

NHTSA has concluded that adoption of today's temporary amendment will not reduce incentives for outside suppliers or vehicle manufacturers for model year 1997. Given that the vehicle manufacturers are already in the final stages of making content calculations for these vehicles, today's amendment should not have any effect on whether outside suppliers provide, or do not provide, the required information for model year 1997. However, the agency will consider this issue further in deciding whether to extend the applicability of today's temporary amendment. NHTSA also emphasizes that today's amendment does not excuse outside suppliers for failure to comply with Part 583.

The agency notes that today's temporary amendment is much narrower than the temporary one requested by AAMA and GM. The petitioners requested a six-month extension of the temporary procedures that have been in place for the last two years. However, they raised concerns about only one of Part 583's provisions, the one concerning non-responsive outside suppliers. AAMA and GM did not give any reasons why the agency

should provide flexibility for other aspects of the content labeling calculation procedures. Therefore, the agency declines to provide relief related to other sections.

In addition, as noted above, the added flexibility is limited to no more than 10 percent, by value, of a carline's total parts content from outside suppliers. The relief is thus tailored to the fact that the problem faced by the vehicle manufacturers is in obtaining the last portion of outside content value for particular carlines. Also, the amendment ensures that the added flexibility can only be used for a very small portion of a carline's total outside content, and that the vast majority of U.S./Canadian content determinations will be based on supplier certificates.

This flexibility will also only be available where manufacturers or allied suppliers have made a good faith effort to obtain the information. NHTSA is not including a specific definition of what constitutes ''good faith effort'' in today's final rule. However, the agency intends the term to mean at least some effort beyond the request for information and certificates that is required by Part 583, e.g., some kind of follow-up effort.

NHTSA will not provide specific responses to all of the other issues raised by AAMA and GM in their petitions, because the agency has responded to many of those issues in previous notices. The agency specifically incorporates by reference its responses to these issues set forth in the September 15, 1995 and April 19, 1996 notices referenced earlier in this document.

However, the agency will address two issues. First, NHTSA rejects the suggestion that it should amend Part 583 because it took six months to respond to AAMA's earlier petition for reconsideration. NHTSA's regulations clearly specify that the filing of a petition for reconsideration does not mean that a rule does not take effect. See 49 CFR 553.35(d).

Second, the agency does not believe there is anything inequitable about providing different procedures for outside and allied suppliers. The Labeling Act establishes vastly different procedures for outside and allied suppliers. For example, in making domestic content calculations, outside suppliers need determine only whether an item of equipment has at least 70 percent U.S./Canadian content, while allied suppliers must make precise calculations based on certificates from outside suppliers. The differences in Part 583's procedures for outside and allied suppliers reflect the specific statutory differences for these two groups and/or the agency's efforts to limit the regulatory burdens associated with the content labeling program. For example, a significant reason why the agency permits outside suppliers to make good faith estimates of the U.S./Canadian content of the materials they purchase is that, unlike the situation for allied suppliers, suppliers to outside suppliers are not required, by statute or regulation, to provide certificates of content.

NHTSA finds that the issuance of this final rule without prior opportunity for comment is necessary in view of the immediate difficulties that some manufacturers, including GM, are having obtaining content information from a number of outside suppliers, and the fact that the manufacturers are necessarily in the final stages of making content determinations for their model year 1997 vehicles. Unless the agency amends the standard on an immediate basis, consumers will receive less accurate content information for model year 1997 vehicles. NHTSA also finds good cause to establish an immediate effective date for this final rule. In the absence of an immediate effective date, the manufacturers could not avail themselves of the added flexibility in making content determinations for their model year 1997 vehicles. The final rule does not impose any new requirements but instead provides additional flexibility to manufacturers in making content determinations.

NHTSA notes that, since model year 1997 production has begun for some carlines, some vehicles have probably already been labeled. Given the circumstances of today's final rule, the agency believes it would be appropriate for manufacturers to re-label these vehicles, should they wish to do so.[1] In such an instance, however, NHTSA urges manufacturers to take steps to prevent confusion when consumers compare the labels of vehicles within the same carline manufactured at different times. For example, manufacturers could take steps to re-label all of the vehicles within a carline that have not yet been sold to a consumer. Alternatively, the revised label could include a note indicating that the carline percentages have been revised during the model year.

The second issue to be considered is whether the applicability of today's amendment, or a similar one, should be extended for a longer period of time. The agency believes that the guiding principle for making this decision should be the statutory direction specifying that regulations promulgated under the Labeling Act are to provide the ultimate purchaser of a new passenger motor vehicle with the best and most understandable information possible about the foreign and U.S./Canadian origin of the equipment of the vehicles without imposing costly and unnecessary burdens on the manufacturers. 49 U.S.C. 32304(e).

There is no question that the ''best'' determinations of the content of equipment provided by outside suppliers are those provided by the suppliers themselves, since they obviously have much more complete information about the content of the equipment they manufacture than the purchaser. There is also no question that the Labeling Act contemplates the vehicle manufacturers basing their content calculations on certificates provided by the outside suppliers, and that outside suppliers are statutorily required to provide this information. See 49 U.S.C. 32304(e). Thus, the only question is the extent, if any, to which the agency should provide alternatives to address situations where outside suppliers fail to provide the required information despite being asked to do so by the vehicle manufacturers.

As indicated above, an important consideration is whether such alternatives would have the effect of reducing the incentives for outside suppliers to provide the required information, or for the vehicle manufacturers to make efforts to obtain the information. It is clear that the ''default-to-zero'' provision does provide significant incentives in this regard. Therefore, the agency will not simply drop that provision.

To the extent that the non-responsive supplier problem experienced by GM is likely to continue, it could be argued that, at some point, the costs of obtaining the last portion of outside supplier content value for a particular carline become unreasonable. This argument could be used to support extending the temporary amendment. The length of such extension would depend on how long the problem was likely to continue.

On the other hand, NHTSA is not convinced that the vehicle manufacturers cannot ultimately obtain the necessary content information from essentially 100 percent of their suppliers, without costly efforts. The agency included the following discussion in its March 16, 1996 notice

[1] While content percentages are ordinarily calculated only once for a carline for a particular model year, NHTSA has previously concluded that, under special circumstances, manufacturers may revise the carline percentages. See interpretation letter to Diamond Star Motors dated February 10, 1995.

denying AAMA's earlier petition on this subject:

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.

As indicated above, AAMA and GM argued in their new petitions that even if a non-responsive supplier is penalized under the contract, the penalty paid to the manufacturer is not compensatory because the ''damages'' cannot offset the effects of understating the U.S./Canadian content value for the manufacturer's vehicles. NHTSA believes, in contrast, that the contractual provisions would help ensure that outside suppliers provide content information without the need to actually impose ''damages.'' The agency believes outside suppliers would not sign contracts that they planned to violate. Also, given that it is not very costly to provide content information, it would be irrational for outside suppliers to decide to pay damages instead of simply providing the information (information that they are, in any event, required by Federal law to provide).

In addition to providing an extra incentive for outside suppliers, such contractual provisions would provide an educational function. AAMA stated in its petition that ''suppliers that deliberately do not respond cite the uncompensated cost to establish the information on content in their parts, the increased employees to calculate the data, and the burdens they already face in generating multiple content reports such as for NAFTA, AALA, CAFE and others each with its own rules.'' These sorts of explanations by suppliers suggest that they were unaware of the need to provide content information when they signed their contracts. The inclusion of a specific contract provision concerning the need to provide content information would make suppliers aware of this obligation. While the costs of providing content information may not be compensated directly, such costs are simply a necessary part of doing business. Assuming that suppliers are aware of these costs, they will presumably consider them in negotiating their contracts, just as they consider other costs of doing business.

As indicated above, NHTSA has not decided whether to extend today's amendment beyond December 31 of this year, but is requesting comments on this issue. The agency requests commenters to address the following questions:

1. Can the problems being experienced by some vehicle manufacturers with non-responsive suppliers be resolved by contractual provisions? Have the vehicle manufacturers experiencing these problems included specific provisions concerning content labeling in their contracts? If not, why? If such provisions are not included in contracts, how long would it take to add them? Are there other ways to resolve these problems, particularly without costly efforts by the vehicle manufacturers?

2. If the agency were to extend the applicability of today's amendment beyond December 31 of this year, how long should the extension be? Should such an extension continue to provide the same type and degree of flexibility, i.e., flexibility for up to 10 percent, by value, of a carline's total parts content from outside suppliers? Would another value, or a somewhat different means for providing flexibility, be more appropriate?

3. If the agency provides flexibility past December 31 of this year, should the flexibility be limited to situations where the vehicle manufacturers have made specified good-faith efforts to obtain the information from an outside supplier (beyond the initial request to the supplier)? If so, what good-faith efforts should be specified in the regulation, e.g., certain contractual provisions, follow-up letters and/or phone calls, etc.?

NHTSA recognizes that, to the extent commenters argue that a somewhat different amendment should apply to models introduced after December 31 of this year, those arguments may bear also on the appropriateness of the relief provided up to that date. However, given the imminence of the introduction of most model year 1997 vehicles, it is not clear whether it would be feasible to consider amendments to the relief provided for models introduced before December 31. Nonetheless, the agency invites commenters to address this issue. Moreover, to accommodate the possibility of making such an amendment, the agency expediting the comment process by limiting the comment period to 30 days.

For the reasons discussed above, NHTSA is granting the AAMA and GM petitions to the extent reflected in today's final rule and request for comments. The petitions are otherwise denied.

Rulemaking Analyses and Notices

A. Executive Order 12866 (Regulatory Planning and Review) and DOT Regulatory Policies and Procedures

This rulemaking document was not reviewed under Executive Order 12866. NHTSA has considered the economic implications of this regulation and determined that it is not significant within the meaning of the DOT Regulatory Policies and Procedure. Today's amendments will not affect manufacturer or supplier costs. They simply provide additional flexibility to vehicle manufacturers and their allied suppliers in making content calculations.

B. Regulatory Flexibility Act

In accordance with the Regulatory Flexibility Act, NHTSA has evaluated the effects of this action on small entities. Based upon this evaluation, I certify that the final rule will not have a significant economic impact on a substantial number of small entities. Today's amendments simply provide additional flexibility to vehicle manufacturers and their allied suppliers in making content calculations. Therefore, a regulatory flexibility analysis is not required for this action.

C. Executive Order 12612 (Federalism)

This action has been analyzed in accordance with the principles and criteria contained in Executive Order 12612, and it has been determined that the final rule did not have sufficient Federalism implications to warrant preparation of a Federalism Assessment. No state laws are affected.

D. Executive Order 12778 (Civil Justice Reform)

This final rule does not have any retroactive effect. States are preempted from promulgating laws and regulations contrary to the provisions of this rule. The rule does not require submission of a petition for reconsideration or other administrative proceedings before parties may file suit in court.

E. National Environmental Policy Act

The agency has considered the environmental implications of this rule in accordance with the National Environmental Policy Act of 1969 and determined that this rule will not significantly affect the human environment.

Comments

Interested persons are invited to submit comments on this document. It is requested but not required that 10 copies be submitted.

All comments must not exceed 15 pages in length (49 CFR 553.21). Necessary attachments may be appended to these submissions without regard to the 15-page limit. This limitation is intended to encourage commenters to detail their primary arguments in a concise fashion.

If a commenter wishes to submit certain information under a claim of confidentiality, three copies of the complete submission, including the purportedly confidential business information, should be submitted to the Chief Counsel, NHTSA, at the street address given above, and seven copies from which the purportedly confidential information has been deleted should be submitted to the NHTSA Docket Section. A request for confidentiality should be accompanied by a cover letter setting forth the information specified in the agency's confidential business information regulation. 49 CFR Part 512.

All comments received by NHTSA before the close of business on the comment closing date indicated above will be considered, and will be available for examination in the docket at the above address both before and after that date. To the extent possible, comments filed after the closing date will also be considered. Comments received too late for consideration in regard to this rulemaking action will be considered as suggestions for further rulemaking action. Comments on the document will be available for inspection in the docket. The NHTSA will continue to file relevant information as it becomes available in the docket after the closing date, and recommends that interested persons continue to examine the docket for new material.

Those persons desiring to be notified upon receipt of their comments in the rules docket should enclose a self-addressed, stamped postcard in the envelope with their comments. Upon receiving the comments, the docket supervisor will return the postcard by mail.

List of Subjects in 49 CFR Part 583

Motor vehicles, Imports, Labeling, Reporting and recordkeeping requirements.

In consideration of the foregoing, 49 CFR part 583 is amended as follows:

PART 583—AUTOMOBILE PARTS CONTENT LABELING

1. The authority for part 583 continues to read as follows:

Authority: 49 U.S.C. 32304, 49 CFR 1.50, 501.2(f).

2. Section 583.6 is amended by revising paragraph (c)(5) and adding paragraph (c)(6) to read as follows:

§ 583.6 Procedure for determining U.S./Canadian parts content.

* * * * *

(c) * * *

(5) Except as provided in paragraph (c)(6) of this section, if a manufacturer or allied supplier does not receive information from one or more of its suppliers concerning the U.S./Canadian content of particular equipment, the U.S./Canadian content of that equipment is considered zero. This provision does not affect the obligation of manufacturers and allied suppliers to request this information from their suppliers or the obligation of the suppliers to provide the information.

(6) For carlines which are first offered for sale to ultimate purchasers before January 1, 1997, if a manufacturer or allied supplier requests information in a timely manner from one or more of its outside suppliers concerning the U.S./Canadian content of particular equipment, but does not receive that information despite a good faith effort to obtain it, the manufacturer or allied supplier may make its own good faith value added determinations, subject to the following provisions:

(i) The manufacturer or allied supplier shall make the same value added determinations as would be made by the outside supplier, i.e., whether 70 percent or more of the value of equipment is added in the United States and/or Canada;

(ii) The manufacturer or allied supplier shall consider the amount of value added and the location in which the value was added for all of the stages that the outside supplier would be required to consider;

(iii) The manufacturer or allied supplier may determine that the value added in the United States and/or Canada is 70 percent or more only if it has a good faith basis to make that determination;

(iv) A manufacturer and its allied suppliers may, on a combined basis, make value added determinations for no more than 10 percent, by value, of a carline's total parts content from outside suppliers;

(v) Value added determinations made by a manufacturer or allied supplier under this paragraph shall have the same effect as if they were made by the outside supplier;

(vi) This provision does not affect the obligation of outside suppliers to provide the requested information.

Issued on: August 28, 1996.

Ricardo Martinez,

Administrator.

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DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 32

RIN 1018–AD76

1996–97 Refuge-Specific Hunting and Sport Fishing Regulations

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Final rule.

SUMMARY: The Fish and Wildlife Service (Service) amends certain regulations that pertain to migratory game bird hunting, upland game hunting, big game hunting and sport fishing on individual national wildlife refuges for the 1996–97 seasons. Refuge hunting and fishing programs are reviewed annually to determine whether the individual refuge regulations governing these programs should be modified, deleted or have additions made to them. Changing environmental conditions, State and Federal regulations, and other factors affecting wildlife populations and habitat may warrant modifications