

accordance with the November 18, 2005 Order of Vacatur, until such time as updated flood hazard information is proposed by FEMA.

**Regulatory Classification.** Since this notice withdraws a notice of proposed rulemaking, it is neither a proposed nor a final rulemaking and therefore is not within the scope of Executive Order 12866 of September 30, 1993, Regulatory Planning and Review, 58 FR 51735 or the Regulatory Flexibility Act, 5 U.S.C. 601–612.

#### List of Subjects in 44 CFR Part 67

Administrative practice and procedure, Flood insurance, Reporting and recordkeeping requirements.

Accordingly, 44 CFR part 67 is proposed to be amended as follows:

#### PART 67—[AMENDED]

1. The authority citation for part 67 continues to read as follows:

**Authority:** 42 U.S.C. 4001 *et seq.*; Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp., p. 376.

#### § 67.4 [Amended]

2. The tables published under the authority of § 67.4 are amended to withdraw the following:

The proposed flood elevation determination published in 72 FR 58598, October 16, 2007 for the Unincorporated Areas of Richland County, South Carolina.

Dated: January 15, 2008.

**David I. Maurstad,**

*Federal Insurance Administrator of the National Flood Insurance Program, Federal Emergency Management Agency, Department of Homeland Security.*

[FR Doc. E8–1209 Filed 1–23–08; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### National Highway Traffic Safety Administration

#### 49 CFR Part 574

[Docket No. NHTSA–2008–0014]

RIN 2127–AK11

#### Tire Registration and Recordkeeping

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

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** Our regulation for tire identification and recordkeeping

requires manufacturer owned tire distributors and dealers to register the names and addresses of the people to whom they sell or lease new tires, and specifies the use of standardized paper forms for this purpose. It also requires independent distributors and dealers to provide purchasers with standardized registration forms they can complete and mail to the manufacturer or its designee.

We propose to amend the regulation by codifying existing interpretations regarding opportunities under the regulation for electronic registration of tire sales and leases and by creating new opportunities. The names and addresses of purchasers and lessees are used by a tire manufacturer to contact those people in the event that the manufacturer must conduct a campaign to recall and remedy tires that either fail to comply with an applicable Federal motor vehicle safety standard or have a safety-related defect.

**DATES:** Comments must be received on or before March 24, 2008.

**ADDRESSES:** You may submit comments to the docket number identified in the heading of this document by any of the following methods:

- **Federal eRulemaking Portal:** go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- **Mail:** DOT Docket Management Facility, M–30, U.S. Department of Transportation, West Building, Ground Floor, Rm. W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590.
- **Hand Delivery or Courier:** West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., between 9 a.m. and 5 p.m. Eastern time, Monday through Friday, except Federal holidays.
- **Fax:** (202) 493–2551.

Regardless of how you submit your comments, you should mention the docket number of this document.

You may call the Docket Management Facility at 202–366–9826.

**Privacy Act:** Please see the Privacy Act heading under Rulemaking Analyses and Notices.

**Instructions:** For detailed instructions on submitting comments and additional information on the rulemaking process, see the Public Participation heading of the Supplementary Information section of this document. Note that all comments received will be posted without change to: <http://www.regulations.gov>, including any personal information provided.

**FOR FURTHER INFORMATION CONTACT:** For non-legal issues, Mr. Jeff Woods, Vehicle Dynamics Division, Office of Vehicle Safety Standards (Telephone:

202–366–6206) (Fax: 202–366–7002). Mr. Woods' mailing address is National Highway Traffic Safety Administration, NVS–122, 1200 New Jersey Avenue, SE., Washington, DC 20590.

For legal issues, Ms. Dorothy Nakama, Office of the Chief Counsel (Telephone: 202–366–2992) (Fax: 202–366–3820). Ms. Nakama's mailing address is National Highway Traffic Safety Administration, NCC–112, 1200 New Jersey Avenue, SE., Washington, DC 20590.

#### SUPPLEMENTARY INFORMATION:

#### Table of Contents

- I. Background
  - A. Tire Registration Requirements
  - B. Rate of Tire Registration
  - C. Increasing the Effectiveness and Reducing the Cost of Tire Registration Through Electronic Registration
    1. 1984 Interpretation to Representative Wirth
    2. 2003 Interpretation to RMA
    3. 2005–2007 Issues Regarding Clearance of the Tire Registration Requirements Under the Paperwork Reduction Act
- II. Need for Rulemaking
- III. Today's Notice of Proposed Rulemaking
  - A. Tires Sold by Independent Tire Dealers—Alternative Means of Tire Registration
  - B. Tires Sold by Dealers Controlled by Tire Manufacturers—Electronic Tire Registration
- IV. Rulemaking Analyses and Notices
  - A. Executive Order 12866 and DOT Regulatory Policies and Procedures
  - B. Regulatory Flexibility Act
  - C. National Environmental Policy Act
  - D. Executive Order 13132 (Federalism)
  - E. Civil Justice Reform
  - F. Paperwork Reduction Act
  - G. National Technology Transfer and Advancement Act
  - H. Unfunded Mandates Reform Act
  - I. Plain Language
  - J. Regulation Identifier Number (RIN)
  - K. Privacy Act
- V. Public Participation

#### I. Background

##### A. Tire Registration Requirements

As originally enacted, the National Traffic and Motor Vehicle Safety Act of 1966 (now codified at Title 49 U.S.C. Chapter 301 *Motor Vehicle Safety*) did not include a requirement for tire registration. However, in May 1970, Congress amended the law to mandate that every tire manufacturer shall maintain records of the names and addresses of the first purchaser of tires produced by that manufacturer.<sup>1</sup> NHTSA was given the authority to establish procedures to be followed by manufacturers in establishing and maintaining such records, including

<sup>1</sup> Pub. L. 91–265.

procedures to be followed by distributors and dealers to assist manufacturers in securing the names and addresses of first purchasers.

Pursuant to this authority, in a final rule published in the **Federal Register** (35 FR 17257) on November 10, 1970, NHTSA established the initial tire identification and recordkeeping requirements of 49 CFR part 574. The rule required all tire dealers to record the name and address of the purchaser to whom they sold the tire, along with the dealer's name and address, and forward that information to the tire manufacturer.

However, under the Motor Vehicle Safety and Cost Savings Authorization Act of 1982 (Pub. L. 97-331), Congress amended the Safety Act to mandate that the obligations of independent distributors and dealers be limited to giving "a registration form (containing the tire identification number) to the first purchaser." The tire purchaser could then mail the form to the tire manufacturer. Congress also mandated that NHTSA should prescribe a standardized registration form and that tire manufacturers had to ensure that they gave sufficient copies of these forms to their dealers.

Congress adopted these amendments after the House Committee on Energy and Commerce found in its report on the 1982 amendments that tire dealers whose business was owned or controlled by a tire manufacturer (these dealers accounted for just under 1/3 of tire sales) registered between 80 and 90 percent of the tires they sold.<sup>2</sup> However, independent tire dealers, which accounted for more than 2/3 of tire sales, registered only 20 percent of the tires they sold.

The changes mandated by the 1982 amendments were established in an interim final rule published on May 19, 1983 (48 CFR 22572). The regulation required tire manufacturers to provide both independent and non-independent distributors and dealers with standardized tire registration forms. The regulation specified the exact content of the forms given to independent distributors and dealers. No other information may appear on the forms.<sup>3</sup> When an independent distributor or dealer sells or leases a tire to a consumer, the distributor or dealer must fill in the tire identification number and its name and address on a registration form and give the form to the consumer.

The consumer may then fill in his or her name and address, add a stamp and mail the form to the manufacturer or its designee. In a follow-up final rule published on February 8, 1984 (49 FR 4755), the agency made slight revisions to the tire registration form to improve its clarity and also reduced the size of the form so that it could be mailed using post card postage.

As part of the agency's implementation of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act (Pub. L. 106-414) that was enacted on November 1, 2000, the agency increased the tire registration record retention requirements for tire manufacturers from three years to five years. The record retention period was extended in a final rule published in the **Federal Register** (67 FR 45822) on July 10, 2002.

#### *B. Rate of Tire Registration*

In the Motor Vehicle Safety and Cost Savings Authorization Act of 1982, Congress directed NHTSA to conduct an evaluation after two years of voluntary registration to determine the extent to which the voluntary registration procedures for independent dealers were successful in increasing the registration of tires.<sup>4</sup> NHTSA was also charged with determining the extent to which independent dealers have encouraged purchasers to register their tires and the extent to which independent dealers have complied with the new procedures. Finally, NHTSA was charged with deciding whether to impose any additional requirements to "significantly increase" registration of tires sold by independent dealers.

Per that Congressional directive, NHTSA reported on its evaluation of voluntary tire registration by independent dealers in 1985 and 1987.<sup>5</sup> We found that:

1. Registration rates for independent dealers declined by half, from 18.1 percent under previous law to 9.3 percent under voluntary registration.

2. Registration rates for company stores had remained steady at 86 percent during this same period.

3. Tire manufacturers had provided plenty of registration forms.

4. There were no records of any tire registrations for more than 70 percent of the independent dealers.

From this, NHTSA reached the conclusion that many independent dealers did not routinely give

registration forms to tire purchasers. NHTSA stated that we did not think it would be the best use of our enforcement resources to bring compliance actions against independent tire dealers. Instead, NHTSA proposed in 1986<sup>6</sup> four potential steps to improve tire registration by independent dealers:

1. Require prepaid postage on the registration form; and/or
2. Undertake a public education campaign and a brief explanation of the tire registration process in tire information pamphlets; and/or
3. A central clearinghouse for all registration forms distributed to consumers by independent dealers; or
4. Rescind the tire registration requirements and allow tire manufacturers to devise their own contractual ways of ensuring they meet the statutory obligation for tire manufacturers to "establish and maintain records of the names and addresses of first purchasers."

After reviewing the public comments, NHTSA published a termination of rulemaking notice in November 1988<sup>7</sup> announcing that none of the four suggestions had been demonstrated to likely significantly increase the level of tire registration by independent dealers under voluntary registration. NHTSA also noted that the agency would continue to rely on media and public announcements to alert the public of tire recalls, so public safety would not be jeopardized by the low registration rate for tires sold by independent dealers.

Although the agency has not conducted a subsequent evaluation, it believes that the registration rate for tires sold or leased by independent distributors and dealers remains largely unchanged. In a submission sent to the agency earlier this year, the Rubber Manufacturers Association (RMA) indicated that the return rate for the mail-in registration cards is no more than 10 percent.<sup>8</sup>

#### *C. Increasing the Effectiveness and Reducing the Cost of Tire Registration Through Electronic Registration*

##### *1. 1984 Interpretation to Representative Wirth*

In 1984, Representatives Wirth and Rinaldo wrote a letter to the agency expressing several concerns. First, they noted that the agency had stated in a recent rulemaking that the Vehicle Safety Act did not permit independent

<sup>2</sup> H.R. Rep. No. 576, 97th Cong. 2d Sess. 8-9 (1982).

<sup>3</sup> July 18, 2003 letter from Jacqueline Glassman to Ann Wilson of RMA. Letter is available at: <http://isearch.nhtsa.gov/files/onlinetireregistration.html>.

<sup>4</sup> See Motor Vehicle Safety and Cost Authorization Act of 1982, Pub. L. 97-331.

<sup>5</sup> For a discussion of NHTSA's Evaluation Reports on Voluntary Tire Registration, see 53 FR 44632-33, November 4, 1988.

<sup>6</sup> Advance note of proposed rulemaking; 51 FR 45916; December 23, 1986.

<sup>7</sup> Termination of rulemaking; 53 FR 44621, November 4, 1988.

<sup>8</sup> Docket NHTSA-2006-26554-3.

dealers to return the mail-in registration cards directly to the manufacturer without first providing the form to the purchaser with the required information filled in by the dealer. Second, they expressed support for computerized tire registration and argued that the 1982 amendments to the Vehicle Safety Act should be interpreted as permitting independent dealers to give the purchaser a mail-in registration form on which they had not filled in any of the required information if they attached to the form a copy of the computerized invoice bearing that information.

In its response, the agency stated while a literal interpretation of the 1982 amendments would not permit independent dealers to do that, under an equitable interpretation, they would be.<sup>9</sup> Under the principles of equitable interpretation, a statutory requirement need not be literally applied in instances in which the underlying Congressional intent is otherwise satisfied. The agency stated:

Based on the principles of equitable interpretation, we believe that an independent tire dealer or distributor who

- (1) Registers tires by computer;
  - (2) Attaches a computer-printed invoice containing all of the information necessary for registration to a blank standardized registration form; and
  - (3) Furnishes the two documents to the customer when the tires are purchased;
- fully satisfies the tire registration amendments.

## 2. 2003 Interpretation to RMA

On July 18, 2003,<sup>10</sup> the agency responded to a letter from RMA asking whether Part 574 permits tire manufacturers to offer electronic registration in addition to the required mail-in form. RMA stated that it wanted to provide independent tire distributors and dealers with a supplemental form that notifies consumers that they may also register their tires by electronic means, e.g., by directing the consumer to a Web site or a toll-free telephone registration line. In support of its request, RMA noted that the agency had recently concluded that child restraint manufacturers could provide consumers with a supplemental form encouraging electronic registration.<sup>11</sup> RMA said that no more than 10 percent of tire registration cards were being returned to

the manufacturers and that the information was often incomplete or the writing illegible. RMA expressed the belief that offering tire registration via the internet, by telephone or other electronic means would improve the registration rate and aid manufacturers in fulfilling their notification obligations.

In its response, the agency said it agreed that the rationales in its letters relating to child restraint registration were also applicable to tire registration. The agency concluded that Part 574 permits the provision of information about electronic registration as a supplement to the required mail-in form for independent distributors and dealers.

Likewise, as to non-independent distributors and dealers, the agency said that electronic registration could be offered to them. The agency cautioned, however:

This interpretation does not relieve non-independent distributors and dealers from the requirements of section 574.8(b) that they themselves record the purchaser's name and address, the tire identification number(s) of the tire(s) sold, and a suitable identification of themselves as the selling dealer on a tire registration form and return the completed forms to the tire manufacturers or their designees. While we would interpret Part 574 to permit non-independent distributors and dealers to accomplish these tasks by electronic means, they may not transfer this responsibility to consumers.

## 3. 2005–2007 Issues Regarding Clearance of the Tire Registration Requirements Under the Paperwork Reduction Act

The information collected by tire dealers from tire purchasers and retained by tire manufacturers is considered to be a “collection of information”<sup>12</sup> as defined by the Office of Management and Budget (OMB). The significance of this definition is that approval of the “collection of information” is subject to OMB review. OMB has promulgated 5 CFR Part 1320 “Controlling Paperwork Burdens on the Public.” OMB states that the purpose of Part 1320 is to implement the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35) (PRA) concerning collections of information. The procedures established in Part 1320 are designed to “reduce, minimize and control burdens and maximize the practical utility and public benefit of the information created, collected, disclosed, maintained, used, shared and disseminated by or for the Federal government.”

Before a Federal agency can collect certain information from the public (which includes the Federal government's directing that the information be collected from new tire purchasers by tire dealers to give to tire manufacturers, also called third-party information), it must receive approval from OMB. If OMB approves a collection of information, it assigns an OMB control number and an expiration date. OMB will not “approve any collection of information for a period longer than three years.” (See 5 CFR section 1320.12(e)(1).) The OMB control number assigned to the Part 574 collection of information is 2127–0050. The current status of OMB's approval is available online at <http://www.reginfo.gov/public/do/PRAsearch>.

Because the Part 574 collection of information requirements are longstanding, we have, for many years, asked for and been granted, OMB approval to collect the information. As part of the periodic process to request OMB to renew approval of an existing collection of information, on December 28, 2005, we published in the **Federal Register** (70 FR 76909) an announcement that NHTSA planned to ask OMB for a renewal of approval to collect the Part 574 information, and sought public comment on the proposed renewal.

We received two comments in response. The first was from the National Automobile Dealers Association (NADA). NADA represents 20,000 franchised automobile and truck dealers that act as independent tire dealers when they sell tires to consumers under differing situations. The second comment was from Tire Recall Registry, Inc. (TRR). It raised several issues, most of which were related to its advocating electronic registration of tires. TRR cited the July 18, 2003 NHTSA interpretation letter to RMA in which NHTSA stated that information about and opportunities for electronic registration could be used to supplement the paper form specified by Part 574. TRR stated its belief that requiring paper forms resulted in an unnecessary burden under the OMB regulations at 1320.3(b)(1), given that electronic means could be used instead, thus reducing the collection of information burden.

On August 31, 2006, OMB renewed the collection of information for Part 574 for a period of six months, instead of three years due to its concerns about the burdens associated with tire registration. OMB posed several questions for the agency to answer regarding DOT's compliance with PRA requirements, the effectiveness rates of

<sup>9</sup> February 1983 letter from Diane K. Steed to the Honorable Timothy E. Wirth. Letter is available at: <http://isearch.nhtsa.gov/gm/83/1983-1.12.html>.

<sup>10</sup> July 18, 2003 letter to Ann Wilson of RMA.

<sup>11</sup> Letter to John K. Stipanovich, January 3, 2003; letter to Mark A. Rosenbaum, Esq., April 12, 2001.

<sup>12</sup> See 5 CFR 1320.3(a)(3).

the tire registration requirements, possible means to reduce the paperwork burden and encourage tire dealers and purchasers to register tires by permitting electronic registration, and a discussion of alternatives that might be permitted for electronic registration, including the use of electronic registration in lieu of the paper mail-in form. The questions were to be answered as part of NHTSA's next request to renew the Part 574 collection of information. On December 8, 2006, NHTSA published a **Federal Register** document (71 FR 71238)<sup>13</sup> seeking comments on the OMB questions and proposing to renew the Part 574 collection of information.

In response to the December 2006 document, five organizations submitted comments. In addition to comments from RMA and NADA, comments were submitted by Computerized Information and Management Services, Inc. (CIMS), National Tire Registry Recall.com (NTRR), and the Tire Industry Association (TIA). Except for CIMS, all commenters supported efforts to expand the methods of registering new tire purchaser information to include Web site registration by the purchaser and electronic registration performed by independent tire dealers.

RMA stated that the continued registration of new tire purchasers is a critically important safety issue so that purchasers can be notified in the event of a product recall or other safety problem. It urged NHTSA to either interpret or revise Part 574 to allow an electronic alternative to the current paper card system. RMA said that it has data showing that less than 10 percent of tire registration cards [from independent tire dealers] are currently being returned to the tire manufacturer and many of these cards are inaccurate, incomplete, or illegible. RMA asked NHTSA to interpret or amend the current regulations in the following areas:

1. Modify Part 574 to permit tire distributor or dealer either (a) to provide consumer with the paper registration form bearing instructions about the opportunity to register the tires at the tire manufacturer's Web site or (b), on a voluntary basis, to register the tires electronically at point of sale (without having to provide any type of registration form to the consumer).

2. The current regulation only requires [independent] distributors to provide the form to first purchasers with the tire identification number and the dealer's name and address. Any revisions to the regulations to permit electronic or point-of-sale registration

should not create any new or additional obligations for tire dealers or distributors by requiring them to register the tires.

3. The tire manufacturer's obligations should remain the same. They should only be required to continue to provide the paper forms to tire dealers and distributors and, upon receipt of the forms, retain the purchaser information for five years.

4. Through a NHTSA interpretation letter, a supplemental form regarding electronic tire registration is permitted. However, the agency should amend its regulations to permit information about such registration to be placed directly on the existing paper registration form.

NADA generally supported the RMA comments regarding permitting Web site registration of tires, and referred to the agency's provisions for electronic registration of child safety seats in 49 CFR 571.213 as being instructive in this regard. In addition to allowing registration by Web site or fax, NADA stated that tire dealers should also be permitted to register the tires for the purchaser, upon obtaining permission or a release from the purchaser to do so.

NADA noted that it has stated in the past that franchised automobile and truck dealers act as independent tire dealers as well. Commenting on past NHTSA announcements of intent to renew the Part 574 collection of information, NADA questioned in those prior renewals, and also in the current one, NHTSA estimates of 12,000 new tire dealers and distributors, when NADA stated that there are 20,000 franchised automobile and truck dealers.

CIMS stated that it provides tire registration services to over 80 percent of tire manufacturers/brand owners in the replacement tire market and to over 12,000 tire dealers and distributors. CIMS is opposed to making changes to the existing tire registration regulations. CIMS stated that the current tire registration regulations are working, and that independent tire dealers using the CIMS All Brand Form can comply with the tire registration regulation for one penny or less per tire. It stated that allowing electronic registration of tires will only cause more confusion, will remove the tire purchasers' rights and ability to ensure that their tires are registered, and will increase the liability of independent tire dealers if the tire registration information is not completely transmitted to the tire manufacturer or if they jeopardize the privacy of tire purchaser information.

CIMS indicated that tire registrations by year are as follows:

1997—37,000,000  
2000—41,000,000 (Prior to Ford/Firestone recall)  
2003—54,000,000 (Corresponds with NHTSA estimates, Docket No. 06-26554)  
2006—59,000,000

CIMS stated that there will be added costs associated with electronic tire registration including developmental costs, software upgrades and employee training. CIMS did not provide any specific cost estimates.

NTRR stated its belief that changes are needed and that electronic registration would enhance public safety, and would be consistent with Paperwork Reduction Act priorities. NTRR stated that allowing electronic registration as an alternative, not merely as a supplement, would improve registration rates over the current methods. NTRR stated that the July 18, 2003 interpretation letter from NHTSA to RMA leaves unanswered the extent to which electronic registration and other alternatives to paper forms can be used in compliance with 49 CFR part 574. NTRR also stated that the tire registration form specified in Part 574 does not display the required OMB control number, and suggested that NHTSA does not adequately address privacy and confidentiality concerns under the PRA.

TIA stated that it has worked closely with the RMA in reviewing the need to revise the current tire registration regulations in 49 CFR part 574, and that it agrees with the four principles identified by RMA for revisions to the regulations. TIA stated that any revisions to the regulations should not create any new or additional obligations for tire dealers and thus should not require the tire dealers to register the tires. TIA stated that many TIA member tire dealers endorse electronic registration and are making electronic registration of new tires possible. TIA recommended that NHTSA adopt the changes recommended by RMA as quickly as possible.

In an additional **Federal Register** document on March 21, 2007 (72 FR 1334)<sup>14</sup> in which we asked that if the public had additional comments, to provide the comments directly to OMB by April 20, 2007, we provided a summary of the comments in response to the December 2006 document. In this March 2007 document, NHTSA specifically stated that we are:

\* \* \* considering revisions to update 49 CFR part 574 to provide, to the extent consistent with the agency's authority, allowances for electronic and other possible means of registering new tires at the point of

<sup>13</sup> Docket No. NHTSA-06-26554.

<sup>14</sup> Docket No. NHTSA-06-26554.

sale. First, the agency will consider the inclusion of Web site registration information to be placed on the tire registration form in 574.7. Second, the agency plans to update the registration form to include the OMB control number. Third, the agency will fully evaluate what appropriate regulations are permissible to allow independent tire dealers to electronically register the tires on a voluntary basis for the consumer, within the requirements specified in Title 49, U.S.C. Chapter 301, Section 30117—providing information to, and maintaining records on, purchaser.

Therefore, the agency will undertake rulemaking in 2007 to address these issues and provide the public with the opportunity to comment on the proposed changes. (See 72 FR at page 13345)

As stated in the March 2007 notice, the agency is now proceeding with rulemaking to consider allowing registration via the internet or other electronic means for new tire purchasers.

## II. Need for Rulemaking

NHTSA is proposing to amend the Part 574 tire registration procedures to facilitate internet and other electronic registration of tires, including voluntary registration of tires by independent tire dealers. We believe this rulemaking is needed to ensure that the regulation permits, to the extent consistent with the agency's authority, the use of new technologies in registering tires. In addition to potentially reducing costs, the procedures could also result in improved tire registration rates. A higher new tire registration rate would help in the identification of first purchasers of defective or nonconforming tires, so that the purchasers may take appropriate action in the interest of motor vehicle safety. As described below, NHTSA's most recent data on tire registration rates were included in a termination of rulemaking notice published in the **Federal Register** on November 4, 1988 (53 FR 44632).

As discussed earlier, NHTSA found in a 1985 study that under the mandatory tire registration program for independent tire dealers, the registration rate was 18.1 percent. In 1987, NHTSA found that, under the voluntary independent tire dealer registration program, the tire registration rate among independent tire dealers had decreased to 9.5 percent. If the number of tires registered using computers is subtracted from 9.5 percent, the return rate for paper tire registration forms was only 8 percent. In 1987, the tire registration rate for tires sold by company-controlled dealers was found to be greater than 86 percent.

We have not performed additional surveys on tire registration rates since 1987. However, February 6, 2007 comments from RMA stated that "no more than 10 percent of tire registration cards are currently returned to manufacturers and a significant number of these cards are inaccurate, incomplete or illegible." Thus, regarding the response rate to paper forms for new tires sold through independent dealers, the agency believes that tire registration rates have not changed substantially for the past 20 years.

For these reasons, the agency does not agree with those that believe the current paper-form based tire registration program is effective. Even if electronic registration does not result in significantly more purchaser responses (for new tire sales through independent dealers), NHTSA believes the overall effectiveness rate of tire registration would improve, because voluntary electronic registration would eliminate illegibility or other ambiguity caused by hand-written information. For purchasers who do not like to fill in information by hand, electronic registration could also reduce the overall burden of registration.

## III. Today's Notice of Proposed Rulemaking

After carefully reviewing the public comments to NHTSA's December 2006 publication of the announcement of its request to OMB to extend approval of the Part 574 tire registration collection of information, we have concluded that Part 574 should be amended to facilitate internet and other electronic registration of tires, including voluntary registration of tires by independent tire dealers. Our proposal follows an approach similar to the ones suggested by RMA and NADA.

Specifically, under our proposal:

- Independent tire dealers could, in lieu of providing a paper registration form to the consumer, voluntarily register a tire by internet or other electronic means, so long as such means were authorized by the tire manufacturer. These dealers would also have the option of providing to the consumer the mailable standardized paper registration form that includes the tire identification number (TIN) and the dealer's name and address (this is the current requirement set forth in Part 574), or using the same standardized paper registration form, but voluntarily completing the form and registering the tire by sending the form to the tire manufacturer or its designee.

- The standardized paper registration form would be permitted to identify a Web site authorized by the tire

manufacturer at which the consumer could register the tires instead of mailing in the form.

- We are proposing to remove the figures showing the standardized paper registration form from the CFR. Some requirements that were expressed by referring to the forms in the regulatory text would be added to the regulatory text, but the regulation would no longer specify as many details concerning the format of the forms.

- We are also proposing regulatory text that would make it clear that dealers owned or controlled by tire manufacturers may register tires by electronic means, consistent with a past interpretation. The figure showing the form used for these tires would also be removed.

Our proposal would not impose new obligations on tire dealers or tire manufacturers. Instead, it would accommodate and facilitate internet and other electronic registration of tires, including voluntary registration of tires by independent dealers. We note that are proposing a provision that would clarify that tire manufacturers must meet requirements concerning retention of information for registration information submitted to them by electronic or other means they authorize, in addition to that submitted to them on the standardized paper forms.

The details of our proposal are discussed below.

### *A. Tires Sold by Independent Tire Dealers—Alternative Means of Tire Registration*

As noted in our March 2007 document, we are considering revisions to update 49 CFR part 574 to allow, to the extent consistent with the agency's authority, for use of electronic and other possible means of registering new tires at the point of sale.

The statutory requirements relevant to independent tire dealers are found at 49 U.S.C. 30117(b)(2)(B), which reads as follows:

The Secretary shall require each distributor and dealer whose business is not owned or controlled by a manufacturer of tires to give a registration form (containing the tire identification number) to the first purchaser of a tire. The Secretary shall prescribe the form, which shall be standardized for all tires and designed to allow the purchaser to complete and return it directly to the manufacturer of the tire. The manufacturer shall give sufficient copies of forms to distributors and dealers.

Not surprisingly, given the pre-internet date of enactment of the statute, the statutory provision appears to contemplate a mail-in paper form ("the

manufacturer shall give sufficient copies of forms to distributors and dealers"). Also, the legislative history (House report)<sup>15</sup> refers to forms that are suitable for mailing and addressed to the manufacturer or its designee.

One relevant issue is the effect of voluntary tire registration by independent tire dealers on their obligations under section 30117(b)(2)(B). While the statute provides for a program in which purchasers of tires from independent tire dealers may register their tires by returning a form to the tire manufacturer, NHTSA's letter to Congressman Timothy Wirth<sup>16</sup> addressed the situation in which independent tire dealers may wish to register tires voluntarily for consumers. Invoking the principles of equitable interpretation, the agency concluded that voluntary registration would partially relieve independent dealers of their statutory obligations. Under those principles, a statutory requirement need not be literally applied in instances in which the underlying Congressional intent is otherwise satisfied. More specifically, the agency stated:

Based on the principles of equitable interpretation, we believe that an independent tire dealer or distributor who (1) registers tires by computer; (2) attaches a computer-printed invoice containing all of the information necessary for registration to a blank standardized registration form; and (3) furnishes the two documents to the customer when the tires are purchased; fully satisfies the tire registration amendments.

\* \* \*

While, as discussed below, we now believe that this interpretation goes to some extent beyond what is necessary to satisfy Congressional intent, we believe the basic principle is correct. In particular, if an independent tire dealer voluntarily registers tires for the consumer, it serves no purpose to require the full procedures necessary to enable consumers to also register those tires.

Several other issues are whether the statute can be interpreted to permit the use of electronic forms in lieu of paper forms and, assuming that the answer to that issue is "yes," the meaning of the statutory command to "give a registration form (containing the tire identification number) to the first purchaser" in the context of electronic forms. As to the term "form," it could be interpreted broadly enough to include electronic as well as paper forms, notwithstanding the statutory

language and legislative history mentioned above that suggests the forms are to be paper ones.

As to the term "give," it could readily be interpreted in the context of the statute to mean physically provide either "take away" means of registration (i.e., mailable form) or means of "on-the-spot" registration (i.e., an in-store computer terminal accessible to purchaser). It is not apparent how the term could be further interpreted to mean simply inform the purchaser about the opportunity to use means not physically present in the dealer's store (e.g., use of a computer terminal located at the purchaser's home or elsewhere.) It is even less apparent how such further interpretation could be given the term "give" given the additional requirement that the form given the purchaser " \* \* \* contain the tire identification number \* \* \* "

A possible scenario that could be viewed as meeting all of the statutory requirements would be one in which the purchaser was provided access to a computer at the dealership where the screen showed the form with the tire identification numbers already filled in, and the purchaser could register the tires with the manufacturer by entering his or her name and address and clicking on a button to register the tires. We do not know whether manufacturers and dealerships would be interested in an option along these lines, but note that we are requesting comments below on this type of approach. We also note that a number of approaches for electronic registration by purchasers would appear not to meet these statutory requirements, but could be viewed as supplemental means of transmitting tire registration to manufacturers.

In light of the above discussion and in considering alternative means for registration of tires sold by independent dealers, we believe: (1) The regulation must include a basic procedure consistent with the statutory requirement that enables purchasers of tires from independent tire dealers to register their tires by returning a form with the TIN already filled in to the tire manufacturer; (2) the regulation may provide options under which an independent tire dealer may voluntarily register tires for consumers, in which case the dealer need not meet the full procedures necessary to enable consumers to register those tires; and (3) the regulation may accommodate means that tire manufacturers may provide for tire registration (e.g., internet registration) that consumers may use instead of mailing in the form.

#### *Voluntary registration by independent dealers.*

As indicated above, after reviewing our 1984 interpretation to Congressman Wirth, we now believe that it went to some extent beyond what was necessary to satisfy Congressional intent. In particular, the agency believes that electronic registration of the tires by independent dealers would satisfy the statutory requirements, without the need to provide an additional blank form to the purchaser. The purpose of the statutory requirement is to enable the purchaser to register the tire purchase with the manufacturer. As such, if the dealer registers the tires electronically for the purchaser and provides a blank form to the purchaser, confusion could result, since the purchaser might think there was a need to submit the paper form to the manufacturer.

Regarding the statement in the interpretation that the purchaser be given a computer-printed invoice with the information on the tire registration paper form, the agency now believes that statement also exceeds what is necessary. The tire registration information is kept by the tire manufacturer (or its designee). There is no need for the dealer or purchaser to retain that information, and NHTSA has no record retention requirement for either tire dealers or tire purchasers. Instead of duplicating the required information on the invoice given to the purchaser, the agency believes that a written statement on the invoice regarding the registration of the tires by the dealer would be sufficient to inform the consumer that the tires have been registered.

We are therefore proposing that independent tire dealers have the option of voluntarily electronically registering tires with the tire manufacturer. We note, however, that whether this option can be used depends on the tire manufacturer's providing a means to receive this information electronically, or designating an agent to do so for it. The agency is not aware of what specific means might be used to provide electronic registration, such as specific software that identifies tire sales and then automatically uses the internet to transmit the information to the tire manufacturer or its designee. However, the agency believes that many company-controlled tire dealers have autonomous systems in place to register the tires as part of the sale transaction. Such systems do not require additional or separate actions by sales personnel to register the tires. The agency welcomes additional details on the methods that are currently in place and also other

<sup>15</sup> H.R. Rep. No. 97-576, p. 8.

<sup>16</sup> February 1983 letter from Diane K. Steed to the Honorable Timothy E. Wirth. Letter is available at: <http://isearch.nhtsa.gov/gm/83/1983-1.12.html>.

methods that might be used, including how independent tire dealers may be able to register tires electronically.

Our proposal also includes an option in which independent tire dealers could use the standardized paper registration form, but voluntarily complete the form and register the tires by sending the form to the tire manufacturer or its designee.

One issue that arises with independent dealers being permitted to register tires voluntarily for consumers is whether they could charge a separate registration fee. We have tentatively concluded that this should not be permitted, as it could discourage registration and cause confusion. We request comments on this issue.

Another issue that arises with electronic registration of tires is the security of the information being transmitted. The proposed regulatory text would require that electronic registration be by secure means, e.g., use of https on the web. We request comments on the need for such a provision, and whether it should be more specific. We note that in September 2005 we decided not to include an "encryption" requirement for electronic registration of child safety seats.<sup>17</sup> We may or may not adopt a requirement concerning secure means for electronic registration of tires, but would like to have the benefit of public comments before reaching a decision.

Regarding CIMS' comment that additional burden would shift to the tire dealer if it decided to use electronic registration, NHTSA notes that registration by independent tire dealers would be voluntary. Nothing in this rulemaking would require independent tire dealers to register tires for the purchaser.

NADA's comments regarding an optional electronic registration program stated that the tire dealer should obtain permission or a release from the purchaser before being permitted to register the tires on behalf of the purchaser. The agency believes that this would create an additional collection of information or other burden that would not be necessary if, instead, a registration statement is provided to the purchaser indicating that the tire dealer is performing tire registration for the purchaser. We also observe that such releases are not required for tire dealers controlled by tire manufacturers, which are required to register tires for consumers.

For the new electronic registration requirements, NHTSA also proposes to permit the tire manufacturer to

designate a third party to collect or store the tire registration information. Such third party designation is currently allowed for the paper registration forms under 574.7, and NHTSA is not aware of any reason not to extend third party designation to electronic tire registrations methods. Since we do not have any detailed information on how designees would collect and retain tire registration information, the agency welcomes additional details that would assist the agency in establishing requirements.

*Alternative means of registration by tire purchasers.*

Consistent with our interpretation letter to RMA, we are including in the proposed regulatory text a provision stating that tire manufacturers may voluntarily provide means for tire registration via the internet, by telephone or other electronic means.

RMA and NADA commented that the tire registration paper form should be allowed to include instructions for purchasers about registering tires directly on the tire manufacturer's Web site. NADA stated that the electronic registration provisions for child safety seats in FMVSS No. 213 are instructive about the value of permitting this. TIA stated that it agreed with the four principles for new tire registration requirements described by RMA (one of which is to allow Web site registration). NTRR's comments did not specifically address putting Web site information on the paper form.

The agency tentatively agrees that including, at the tire manufacturer's option, a Web site address for purchasers to register tires could facilitate registration for tire purchasers, and also improve the quality of information received by the tire manufacturer. As RMA stated, many of the paper registration forms that are received by tire manufacturers are inaccurately filled out, incomplete, or illegible. By allowing purchasers to type in the information directly on the tire manufacturer's Web site, the issue of illegibility should be eliminated.

NHTSA checked several tire manufacturers' Web sites, for both widely-known tire brands and lesser-known tire brands, and found in all but one case that the tire manufacturers already have Web site-based tire registration capability. Inclusion of Web site registration information would be performed at the option of the tire manufacturer. We are proposing simple text to keep information on the form to a minimum: "Instead of mailing this form, you can register online at [insert tire manufacturer's Web site address]". This proposed language deviates

slightly from the FMVSS No. 213 text that includes references to registering online on both sides of the form, although the text on the mailing label side of that form is on a part of the form that is removed prior to mailing. However, the tire registration form is not of that design, and much of the form space is needed for recording the tire identification numbers. We welcome comments on the proposed text and location of the optional Web site registration information.

We request comments on whether information about other possible means of supplemental registration should be permitted to be placed on the tire registration paper form. We note, as indicated above, that the available space on the form is limited.

*Other possible options for tire registration.*

We request comments on whether the regulation should specify additional options for registering tires sold by independent tire dealers that would be consistent with our statutory authority. We intend for the scope of this proposal to be broad and, depending on the comments, may adopt additional options in the final rule.

We note that, as indicated above, it is our goal to accommodate and facilitate internet and other electronic registration of tires, including voluntary registration of tires by independent dealers. We also note that since additional options would also be voluntary, there is no reason to specify ones that would be unlikely to be used by independent tire dealers, tire manufacturers, and/or consumers.

We seek comment on whether there should be some type of option in which independent tire dealers might be able to use electronic forms in lieu of paper forms to enable consumers to register their tires. Such an approach might, for example, involve independent tire dealers setting up computer terminals at their dealerships in which tire purchasers would see a form on the computer screen with the TIN and possibly other information already filled in, which tire purchasers could use to register their tires. We note that if such an approach involved the consumer's being given the electronic form with the TIN filled in, the approach could, consistent with the requirements of 49 U.S.C. 30117(b)(2)(B), be an option that independent tire dealers could use in lieu of paper forms. We also note that if such an option were permitted in lieu of paper forms instead of as a supplement, the electronic form would need to be standardized.

We specifically request that any commenters recommending additional options for tire registration, beyond

<sup>17</sup> 70 FR 53569, 53572-73, September 9, 2005.



those in the proposed regulatory text, provide specific recommended regulatory text for those additional options.

#### Registration forms.

As discussed above, for tires sold by independent tire dealers, NHTSA is required by statute to prescribe a standardized tire registration form for all tires. Specifically, 49 U.S.C. 30117(b)(2)(B) provides “(t)he Secretary shall prescribe the form, which shall be standardized for all tires \* \* \*”

The statute provides that tire manufacturers must give sufficient copies of the registration forms to distributors and dealers. Also, Part 574.8 permits distributors and dealers to use registration forms obtained from other sources.

Pursuant to the requirement to prescribe a standardized tire registration form, NHTSA has adopted requirements through rulemaking and placed them in Part 574. The details of some of the requirements, including size and data elements, are set in the regulatory text. The details of certain other requirements are not set out in the regulatory text. Instead, the regulatory text requires that forms conform in content and format to the forms depicted in the figures included in Part 574. See 574.7(a)(2).

To promote flexibility, we are proposing to remove the figures showing the forms in Part 574. To ensure that the forms remain standardized, we are proposing to add some requirements to the regulatory text that are currently expressed by referring to the figures, but with fewer details concerning format. We are also proposing to update the size standards to reflect the current U.S. Postal Service’s “Domestic Mail Manual” (Updated 12–6–07) at Section 6.3 “Cards Claimed at Card Rates” that specifies physical standards that postcards must meet in order to be eligible for mailing at card rates.

Under our proposal, on the address side of the form, the following would continue to be required to be provided: The name and address of the manufacturer or its designee, and, in the upper right hand corner, the statement: “Affix a postcard stamp.”

The other side of the form would continue to include the tire manufacturer’s name (unless it already appears on the address side), and the statement: “IMPORTANT, In case of a recall, we can reach you only if we have your name and address.” There would also continue to be a statement indicating that sending in the card will add a person to the manufacturer’s

recall list. However, the regulation would no longer specify that the statement indicate that a person “must” send in the card to be on the recall list, since manufacturers may provide alternative means of registering tires.

Under our proposal, if a tire manufacturer provides a Web site where its tires can be registered, it may (but is not required to) include the following sentences: “Instead of mailing this form, you can register online at [insert tire manufacturer’s registration web site address]”.

The form would also include the admonition: “Do it today.”

The form would also continue to include space for recording the tire identification numbers for six tires. There would also continue to be shading to distinguish between areas of the form to be filled in by sellers and customers.

As indicated above, under our proposal, the regulation would no longer specify as many details concerning the format of the form.

We request comments on the removal of these figures and on what requirements expressed by reference to the figures should be added to the regulatory text.

#### Registration rates.

We request comments on the current registration rates of tires sold by independent tire dealers. Commenters are asked to provide information concerning the total number of such tires that are sold and the number of those tires that are currently being registered by each alternative means, e.g., the number of tires registered by returning the paper form, the number registered using the tire manufacturer’s Web site, etc. The agency requests that commenters provide the specific basis for any numbers or rates that are provided. We also request comments on how and why these registration rates may change if the agency adopts this proposed rule.

#### Other issues.

We request comments on other issues related to our proposal. As indicated above, we intend the scope of this proposal to be broad.

We specifically invite comments related to NHTSA’s provisions for electronic registration of child safety seats in S5.8.2 of FMVSS No. 213. See final rule published in the **Federal Register** (70 FR 53569) on September 9, 2005.<sup>18</sup> The agency considered a number of issues related to electronic registration and electronic registration forms in that rulemaking. To what extent should the requirements we

adopt related to electronic registration of tires be similar/different from the ones we adopted for child safety seats, and why?

#### *B. Tires Sold by Dealers Controlled by Tire Manufacturers—Electronic Tire Registration*

The tire registration form in Figure 4 of Part 574 is the form that is to be filled out by company-controlled tire dealers and returned to the manufacturer upon the sale of new tires. We note that we have no data on the continued use of this form, or what percentage of company-controlled dealers continue to use this form versus submit the registration information to the tire manufacturer using electronic means.

As noted above, the agency has previously provided an interpretation letter to the RMA (July 18, 2003 agency letter) stating that while company-controlled dealers are permitted to register tires electronically:

This interpretation does not relieve non-independent distributors and dealers from the requirements of section 574.8(b) that they themselves record the purchaser’s name and address, the tire identification number(s) of the tire(s) sold, and a suitable identification of themselves as the selling dealer on a tire registration form and return the completed forms to the tire manufacturers or their designees. While we would interpret Part 574 to permit non-independent distributors and dealers to accomplish these tasks by electronic means, they may not transfer this responsibility to consumers.

In this NPRM, NHTSA is proposing to include a provision expressly reflecting this existing option in the Part 574 requirements. Specifically, NHTSA proposes that electronic means be permitted as an alternative to the paper registration forms specified in S574.7(b). As earlier stated, we have little information on how these systems are configured, so we are proposing simple language and we welcome comments on alternative language.

As to Part 574’s requirements for these forms, requirements concerning data elements are set forth in the regulatory text, and the regulatory text also specifies that the forms must be similar in format and size to that in Figure 4. We note that the statutory requirement that NHTSA prescribe a standardized tire registration form does not apply to ones for tires sold by dealers controlled by tire manufacturers.

To promote flexibility, we are proposing to remove Figure 4 showing the registration forms to be used. We are proposing to add several requirements

<sup>18</sup> Docket NHTSA–2005–22324.



currently expressed by reference to the figure, and otherwise leave all other details to the tire manufacturer. Under our proposal, the form would continue to be required to include:

- A statement indicating where the form should be returned, including the name and mailing address of the manufacturer or its designee.
- The tire manufacturers' logo or other identification, if the manufacturer is not identified as part of the statement indicating where the form should be returned.
- The statement: "IMPORTANT; FEDERAL LAW REQUIRES TIRE IDENTIFICATION NUMBERS MUST BE REGISTERED."

We request comments on the removal of this figure and on what requirements expressed by reference to the figure should be added to the regulatory text.

## VI. Rulemaking Analyses and Notices

### A. Executive Order 12866 and DOT Regulatory Policies and Procedures

NHTSA has considered the impact of this rulemaking action under Executive Order 12866 and the Department of Transportation's regulatory policies and procedures. The Office of Management and Budget reviewed this rulemaking document under E.O. 12866, "Regulatory Planning and Review." This rulemaking action has been determined to be significant under the DOT Policies and Procedures because of public interest.

In this document, NHTSA is proposing to amend Part 574 by permitting collection of the names and addresses of first purchasers of new tires

by internet and other computerized means. Nothing in the proposed rule, if made final, would require any tire dealer to use these new procedures. All collection of the names and addresses of first purchasers of new tires may continue to be collected as at present. However, we believe that permitting electronic means of tire registration will increase the rate of registrations, which will in turn increase the effectiveness of future tire recalls and thus improve motor vehicle safety.

There would be some cost impacts, in terms of time and/or money, associated with increased registrations of tires by electronic means. Since the options we are proposing are voluntary, we do not know to what extent they will be utilized by independent tire dealers and tire manufacturers. However, we are providing analysis to show the potential cost impacts.

#### *Increased registrations by consumers using the internet.*

Under the proposed rule, tire manufacturers can provide, on a voluntary basis, internet registration information on the tire registration form that is given to purchasers by independent tire dealers. Consumers could then register their tires online instead of filling out the paper form and mailing it to the tire manufacturer or its designee. The cost of printing this information on the form is negligible, and therefore there would be no cost increase to tire manufacturers that are responsible for printing the forms and providing them to independent tire dealers. However, the tire manufacturers offering the option of internet-based tire

registration on their Web sites would incur some cost to include a registration site. The agency has found that most tire manufacturers already have tire registration sites included on their Web sites. This method of registration would save consumers the cost of a postcard postage stamp, and it would save costs for tire manufacturers because they (or their designee) would not have to transcribe the information on the paper forms into a tire registration data base.

In the table which follows, we are providing estimates of the monetized costs associated with various rates of increased tire registration using the internet. Under this scenario, paper forms would continue to be provided to purchasers, but the additional registrations would occur via the internet rather than by the forms being mailed in. Therefore, although tire registrations would increase, mailing and other paperwork costs would remain the same. We are assuming, for purposes of these estimates, that the costs associated with the current level of tire registration would not change. The additional costs associated with this scenario would be the time consumers spent registering tires via the internet that they otherwise would not register. We also assume that because the tire registration information is collected using purely electronic means, there would be no additional labor burden for the tire manufacturer for recordkeeping associated with these additional registrations. To monetize the costs of consumers filling out paper forms or using the internet, a labor rate of \$14.61 per hour is used.<sup>19</sup>

### CONSUMER COST PROJECTIONS ASSOCIATED WITH INCREASED TIRE REGISTRATIONS WITH CONSUMERS REGISTERING TIRES USING THE INTERNET

	Current tire registrations	Future tire registrations using internet-based registration by consumers		
		10 percent increase	15 percent increase	20 percent increase
Consumer Hour Burden Estimates:				
Number of Consumers .....	10,000,000	11,000,000	11,500,000	12,000,000
Total Tire Registrations .....	54,000,000	59,400,000	62,100,000	64,800,000
Tire Registration Hours .....	225,000	247,500	258,750	270,000
Monetized Costs (Consumer time valued @ \$14.61/Hour .....	\$3,287,250	\$3,615,975	\$3,780,338	\$3,944,700

#### *Voluntary registration by independent tire dealers.*

Under the proposed rule, independent tire dealers could voluntarily register tires for consumers, if this was authorized by the tire manufacturer. Dealers that did this would incur

additional costs to upgrade their computer systems, with both initial startup costs and then costs for periodic maintenance of the systems. We assume that many independent tire dealers, especially the larger ones, already collect tire purchaser information as

part of the sales process. For these manufacturers, we believe it may be possible to upgrade the sales system to include automatic electronic registration on behalf of the purchaser. We do not know the details of how this process may work, which would be up to the

<sup>19</sup> The median hourly rate among all occupations, May 2006, according to the Bureau of Labor

Statistics; see [http://www.bls.gov/oes/current/oes\\_nat.htm#b00-0000](http://www.bls.gov/oes/current/oes_nat.htm#b00-0000).

tire manufacturer and the independent tire dealers. The process might also include companies designated by the tire manufacturers to provide services in this area. We also do not know what actual startup and annual costs might be to independent tire dealers. However, once these systems are installed, tire registration rates would be 100 percent for tires sold through these dealers. This compares with overall current registration rates of 10 percent for tires sold through independent dealers.

The costs associated with voluntary tire registration by independent tire dealers would be offset, or partially offset, by the fact that these dealers would no longer need to provide paper forms to consumers, or fill out these forms with tire identification numbers.

The agency has estimated that there are a total of 59,000 tire dealers in the

U.S., including 13,000 that are company-controlled dealers. The remaining 46,000 tire dealers include 20,000 car and truck dealers and 26,000 independent tire dealers.

There are two unknowns for estimating the cost impacts on independent tire dealers—how many independent dealers would voluntarily upgrade computer systems to register tires, and what the cost of these computer systems would be in terms of initial cost and annual maintenance. Each year, a number of independent dealers will install or upgrade computer systems, and they continue to maintain their systems in subsequent years. We will assume that an initial installation cost of providing an upgraded system is \$750 and that annual maintenance thereafter is \$200. We do not know

whether each tire manufacturer would work directly with each independent tire dealer, or whether third party designees would provide an interface service for all tire manufacturers and independent tire dealers. We note that third party designees could provide efficiencies of having a single contact company that could be the interface for an independent tire dealer and multiple tire manufacturers.

We are providing cost estimates assuming that 30 percent of independent tire dealers would participate in such a voluntary program, with 10 percent beginning the first year (4,600 dealers), an additional 10 percent beginning the second year, and the third 10 percent beginning the third year. These costs can be summarized as follows:

Year	Startup costs for computer systems	Annual maintenance costs	Total cost
2009 .....	\$3.45 M .....	0 .....	\$3.45 M
2010 .....	3.45 M .....	\$0.92 M .....	4.37 M
2011 .....	3.45 M .....	1.84 M .....	5.29 M
2012 and Beyond .....	0 .....	2.76 M .....	2.76 M

Since the proposed rule, if made final, would establish collection of information procedures that would be used entirely at the discretion of the tire dealer, and the estimated paperwork burdens of tire dealers electing to use these procedures are not expected to exceed \$100 million annually, the agency does not consider this rulemaking to be “economically significant,” as defined by E.O. 12866. Thus, it has not prepared a full regulatory evaluation.

*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 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 that the rule will not

have a significant economic impact on a substantial number of small entities. The 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 effects of this rulemaking action under the Regulatory Flexibility Act. As explained above, NHTSA is proposing to amend Part 574 by permitting collection of the names and addresses of first purchasers of new tires by internet and other computerized means. Electronic collection would be permitted in place of paper forms. This regulatory flexibility analysis does not apply to manufacturer-owned tire dealers, because they are not considered small businesses under SBA’s affiliation rule at 5 CFR section 121.103(a)(1) which states in part: “Concerns and entities are affiliates of each other when one controls or has the power to control the other \* \* \*” The tire manufacturer either “controls or has the power to control” dealerships that it owns.

Under SBA’s size standard regulations (at 5 CFR Part 121), “tire dealers” are classified under North American Industry Classification System (NAICS) Code 441320 with a size standard of average yearly sales of \$6 million. “New

car dealers” are classified under NAICS Code 441110 with a size standard of average yearly sales of \$24.5 million. “Used car dealers” are classified under NAICS Code 441120 with a size standard of average yearly sales of \$19.5 million.

In its February 27, 2006 comments to NHTSA, NADA stated that of its “20,000 franchised automobile and truck dealers who sell new and used motor vehicles,” a “significant number are small businesses as defined by the SBA.” NADA did not specify the number that would be considered “small businesses.” In the **Federal Register** of March 21, 2007 (54 FR 133440), we estimated the number of independent tire dealers to be 26,000. Assuming all NADA members are small businesses, the total number of independent tire dealers that are small businesses would be 46,000.

I hereby certify that if made final, this proposed rule would not have a significant economic impact on a substantial number of small entities. The factual basis for the certification is that if made final, this proposed rule would not substantively change existing 49 CFR Part 574 requirements for small businesses that are independent tire dealers. The electronic collection of information procedures would be voluntary for independent tire dealers. The statement on the paper form giving

Web site information about online registration of new tires (and the paper form itself) would be provided by the tire manufacturer. If it chooses not to adopt electronic tire registration procedures, the responsibilities of the independent dealer would remain the same, to pass out the paper forms to first purchasers of new tires.

#### 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 action would not have any significant impact on the quality of the human environment.

#### D. Executive Order 13132 (Federalism)

NHTSA has examined today's proposal pursuant to Executive Order 13132 (64 FR 43255, August 10, 1999) and concluded that no additional consultation with States, local governments or their representatives is mandated beyond the rulemaking process. The agency has concluded that the proposal does not have federalism implications because, if made final, the rule would not 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."

If the proposed rule is made final, a State requirement would be preempted if it conflicted with the rule.

#### E. Civil Justice Reform

With respect to the review of the promulgation of a new regulation, section 3(b) of Executive Order 12988, "Civil Justice Reform" (61 FR 4729, February 7, 1996) requires that Executive agencies make every reasonable effort to ensure that the regulation: (1) Clearly specifies the preemptive effect; (2) clearly specifies the effect on existing Federal law or regulation; (3) provides a clear legal standard for affected conduct, while promoting simplification and burden reduction; (4) clearly specifies the retroactive effect, if any; (5) adequately defines key terms; and (7) addresses other important issues affecting clarity and general draftsmanship under any guidelines issued by the Attorney General. This document is consistent with that requirement.

Pursuant to this Order, NHTSA notes as follows. The preemptive effect of this proposed rule is discussed above. NHTSA notes further that there is no requirement that individuals submit a petition for reconsideration or pursue

other administrative proceeding before they may file suit in court.

#### F. Paperwork Reduction Act

Under the Paperwork Reduction Act of 1995, a person is not required to respond to a collection of information by a Federal agency unless the collection displays a valid Office of Management and Budget (OMB) control number. The proposed changes to the tire registration and recordkeeping rule, if made final, would be "collections of information," as that term is defined by OMB at 5 CFR 1320. 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 the requirements of 5 CFR part 1320, NHTSA requests comment on the collection of information that would be revised if this NPRM were made final.

*Title:* 49 CFR part 574, Tire Identification and Recordkeeping.

*OMB Control Number:* 2127-0050.

*Requested Expiration Date of Approval:* Three years from date of last approval.

*Type of Request:* Extension of a currently approved collection, with changes.

*Summary of the Collection of Information:* 49 U.S.C. 30117(b) requires each tire manufacturer to collect and maintain records of the first purchasers of new tires. To carry out this mandate, 49 CFR part 574 requires tire dealers

and distributors owned or controlled by a tire manufacturer to record the names and addresses of retail purchasers of new tires and the identification number(s) of the tires sold. A specific form is provided to tire dealers and distributors by tire manufacturers for recording this information. The completed forms are returned to the tire manufacturers where they are retained for not less than five years. Part 574 requires independent tire dealers and distributors to provide a registration form to consumers with the tire identification number already recorded and information identifying the dealer/distributor. The consumer can then record his/her name and address and return the form to the tire manufacturer. These forms are also provided to tire dealers and distributors by tire manufacturers. Additionally, motor vehicle manufacturers are required to record the names and addresses of the first purchasers (for purposes other than resale), together with the identification numbers of the tires on the new vehicles, and retain this information for not less than five years.

*Description of the Need for the Information and the Proposed Use of the Information:* The information is used by a tire manufacturer after it or the agency determines that some of its tires either fail to comply with an applicable safety standard or contain a safety related defect. With the information, the tire manufacturer can notify the first purchaser of the tires and provide them with any necessary information or instructions or remedy.

Without this information, efforts to identify the first purchaser of tires that have been determined to be defective or nonconforming pursuant to Sections 30118 and 30119 of Title 49 U.S.C. would be impeded. Further, the ability of the purchasers to take appropriate action in the interest of motor vehicle safety may be compromised.

*Description of the Likely Respondents (Including Estimated Number and Proposed Frequency of Response to the Collection of Information):*

*March 21, 2007 Federal Register Notice*—In the 30-day notice announcing NHTSA's request for an extension to collect the tire registration and recordkeeping information had been forwarded to OMB, we estimated that the collection of information affects 10 million respondents annually. This group consists of approximately 20 tire manufacturers, 59,000 new tire dealers and distributors, and 10 million consumers who choose to register their tire purchases with tire manufacturers. A response is required by motor vehicle manufacturers upon each sale of a new

vehicle and by non-independent tire dealers with each sale of a new tire. A consumer may elect to respond when purchasing a new tire from an independent dealer.

*Today's Estimate Resulting From the Proposed Collection of Information Including Electronic Reporting*—If made final, today's NPRM would affect the tire registration and recordkeeping

collection of information as follows: The publication "Modern Tire Dealer" reports that the tire industry's annual unit sales of new tires in the United States for the past three years were as follows: 2004—319 million; 2005—326 million; 2006—313 million. Thus, over the past three years, the average sales of tires per year in the U.S. were roughly 320 million.

*Estimate of the Total Annual Reporting and Recordkeeping Burden Resulting from the Collection of Information:*

*March 21, 2007 Federal Register Notice*—In the March 21, 2007 notice, we provided the following estimated burden:

New tire dealers and distributors .....	59,000.
Consumers .....	10,000,000.
Total tire registrations (manually) .....	54,000,000.
Total tire registration hours (manually) .....	225,000 hours.
Recordkeeping hours (manually) .....	25,000 hours.
Total annual tire registration and recordkeeping hours .....	250,000 hours.

We note that with today's proposed rule, tire registration by purchasers would be facilitated by accommodating electronic means. We believe that if electronic registration were accommodated, the response rate for purchasers may increase. Moreover, some independent tire dealers may voluntarily register tires for consumers, thereby resulting in a higher registration rate.

Given that the various options we are proposing would be voluntary, we do not know to what extent they would be utilized by independent tire dealers, tire manufacturers and consumers. Therefore, based on the information that is available, these are our estimates of burden.

The same information (name and address of the purchaser) would be collected regardless of the format, paper form, or typing in information on a company Web site. Because some people type faster and some people write faster, NHTSA believes that the amount of time it will take to provide information about the name and address of the purchaser would be very roughly the same, regardless of the format. To the extent more consumers registered their tires, actual burdens realized could thus increase concomitantly with the higher registration rates. On the other hand, it may be possible for tire manufacturers and independent tire dealers to develop electronic systems, tied in with the systems used for monitoring inventory and recording sales information, that could automatically register the tires with the tire manufacturer at little additional cost.

NHTSA believes that virtually all recordkeeping by tire manufacturers is already done electronically. NHTSA estimates that it takes roughly 25,000 hours to transfer handwritten data to an electronic format for storage. Because, with Web site-based information, there

would be no change in format (i.e., going from electronic reporting to electronic storage), NHTSA believes there would be virtually no burden hours imposed in transferring information provided on a tire manufacturer's Web site to a recordkeeping site. For these reasons, NHTSA believes the recordkeeping burden hours would remain at 25,000 hours.

NHTSA solicits comments on the proposed changes in the collection of information associated with part 574 and on NHTSA's analysis of how the changes will affect the number of burden hours affecting the public. Comments must refer to the docket and notice numbers cited at the beginning of this NPRM and be submitted to: Docket Operations, M-30, U.S. Department of Transportation, West Building, Ground Floor, Rm. W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590.

#### *G. National Technology Transfer and Advancement Act*

Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTTAA), Public Law 104-113, section 12(d) (15 U.S.C. 272) directs NHTSA to use voluntary consensus standards in its 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 the agency to provide Congress, through the OMB, explanations when we decide not to use available and applicable voluntary consensus standards.

After carefully reviewing the available information, NHTSA has determined

that there are no voluntary consensus standards relevant to this rulemaking, as the information to be collected and sent to tire manufacturers is needed only in the event of a tire recall. Accordingly, this proposed rule is in compliance with Section 12(d) of NTTAA.

#### *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 objectives 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.

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. Accordingly, the agency has not prepared an Unfunded Mandates assessment.

#### *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:

- Have we 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 we improve clarity by adding tables, lists, or diagrams?
- What else could we 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.

#### K. Privacy Act

Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477 at 19478) or you may visit <http://docketsinfo.dot.gov/>.

#### V. Public Participation

##### *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.<sup>20</sup> We 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 your comments by any of the following methods:

- **Federal eRulemaking Portal:** Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.

- **Mail:** Docket Management Facility, M-30, U.S. Department of Transportation, West Building, Ground Floor, Rm. W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590.

- **Hand Delivery or Courier:** West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., between 9 a.m. and 5 p.m. Eastern Time, Monday through Friday, except Federal holidays.

- **Fax:** (202) 493-2251.

If you are submitting comments electronically as a PDF (Adobe) file, we ask that the documents submitted be scanned using Optical Character Recognition (OCR) process, thus allowing the agency to search and copy certain portions of your submissions.<sup>21</sup>

Please note that pursuant to the Data Quality Act, in order for substantive data to be relied upon and used by the agency, it must meet the information quality standards set forth in the OMB and DOT Data Quality Act guidelines. Accordingly, we encourage you to consult the guidelines in preparing your comments. OMB's guidelines may be accessed at <http://www.whitehouse.gov/omb/fedreg/reproducible.html>. DOT's guidelines may be accessed at <http://dmses.dot.gov/submit/DataQualityGuidelines.pdf>.

##### *How Can I Be Sure That My Comments Were Received?*

If you submit your comments by mail and 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**. 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.<sup>22</sup>

In addition, you should submit a copy, from which you have deleted the claimed confidential business information, to the Docket by one of the methods set forth above.

##### *Will the Agency Consider Late Comments?*

We will consider all comments received before the close of business on the comment closing date indicated above under **DATES**. To the extent possible, we will also consider comments received after that date. Therefore, if interested persons believe that any new information the agency places in the docket affects their comments, they may submit comments after the closing date concerning how the agency should consider that information for the final rule.

If a comment is received too late for us to consider in developing a final rule (assuming that one is issued), we 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 materials placed in the docket for this document (e.g., the comments submitted in response to this document by other interested persons) at any time by going to <http://www.regulations.gov>. Follow the online instructions for accessing the dockets. You may also read the materials at the Docket Management Facility by going to the street address given above under **ADDRESSES**. The Docket Management Facility is open between 9 a.m. and 5 p.m. Eastern Time, Monday through Friday, except Federal holidays.

#### List of Subjects in 49 CFR Part 574

Labeling, Motor vehicle safety, Reporting and recordkeeping requirements, and Tires.

In consideration of the foregoing, NHTSA proposes to amend 49 CFR part 574 as follows:

#### **PART 574—TIRE IDENTIFICATION AND RECORDKEEPING**

1. The authority for part 574 continues to read as follows:

**Authority:** 49 U.S.C. 322, 30111, 30115, 30117 and 30166; delegation of authority at 49 CFR 1.50.

2. Section 574.7 is amended by revising paragraphs (a)(2) and (a)(3) and adding new paragraphs (e) and (f) to read as follows:

<sup>20</sup> See 49 CFR § 553.21.

<sup>21</sup> Optical character recognition (OCR) is the process of converting an image of text, such as a scanned paper document or electronic fax file, into computer-editable text.

<sup>22</sup> See 49 CFR 512.

**§ 574.7 Information requirements—tire manufacturers, new tire brand name owners.**

(a)(1) \* \* \*

(2) Each tire registration form provided to independent distributors and dealers pursuant to paragraph (a)(1) of this section shall contain space for recording the information specified in paragraphs (a)(4)(i) through (a)(4)(iii) of this section. Each form shall:

(i) Have the following physical characteristics:

(A) Be rectangular;

(B) Be not less than 3½ inches high, 5 inches long, and 0.007 inches thick;

(C) Be not more than 4¼ inches high, or more than 6 inches long, or greater than 0.016 inch thick.

(ii) On the address side of the form, be addressed with the name and address of the manufacturer or its designee, and include, in the upper right hand corner, the statement “Affix a postcard stamp.”

(iii) On the other side of the form:

(A) Include the tire manufacturer’s name, unless it appears on the address side of the form;

(B) Include a statement explaining the purpose of the form and how a consumer may register tires. The statement shall:

(1) Include the heading “IMPORTANT”.

(2) Include the sentence: “In case of a recall, we can reach you only if we have your name and address.”

(3) Indicate that sending in the card will add a person to the manufacturer’s recall list.

(4) If a tire manufacturer provides a Web site where its tires can be registered, it may (but is not required to) include the following sentence: “Instead of mailing this form, you can register online at [insert tire manufacturer’s registration Web site address].”

(5) Include the sentence: “Do it today.”

(C) Include space for recording tire identification numbers for six tires.

(D) Use shading to distinguish between areas of the form to be filled in by sellers and customers.

(1) Include the statement: “Shaded areas must be filled in by seller.”

(2) The areas of the form for recording tire identification numbers and information about the seller of the tires must be shaded.

(3) The area of the form for recording the customer name and address must not be shaded.

(D) Include, in the top right corner, the phrase “OMB Control No. 2127–0050”.

(3) Each tire registration form provided to distributors and dealers that are not independent distributors or

dealers pursuant to paragraph (a)(1) of this section must contain space for recording the information specified in paragraphs (a)(4)(i) through (a)(4)(iii) of this section. Each form must include:

(A) A statement indicating where the form should be returned, including the name and mailing address of the manufacturer or its designee.

(B) The tire manufacturers’ logo or other identification, if the manufacturer is not identified as part of the statement indicating where the form should be returned.

(C) The statement: “IMPORTANT: FEDERAL LAW REQUIRES TIRE IDENTIFICATION NUMBERS MUST BE REGISTERED”.

(D) In the top right corner, the phrase “OMB Control No. 2127–0050”.

\* \* \* \* \*

(e) Tire manufacturers may voluntarily provide means for tire registration via the internet, by telephone or other electronic means.

(f) Each tire manufacturer shall meet the requirements of paragraphs (b), (c) and (d) of this section with respect to tire registration information submitted to it or its designee by any means authorized by the manufacturer in addition to the use of registration forms.

3. Section 574.8 is revised to read as follows:

**§ 574.8 Information requirements—tire distributors and dealers.**

(a) *Independent distributors and dealers.*

(1) Each independent distributor and each independent dealer selling or leasing new tires to tire purchasers or lessors (hereinafter referred to in this section as “tire purchasers”) shall comply with paragraph (a)(1)(i), (a)(1)(ii) or (a)(1)(iii) of this section:

(i) At the time of sale or lease of the tire, provide each tire purchaser with a paper tire registration form on which the distributor or dealer has recorded the following information:

(A) The entire tire identification number of the tire(s) sold or leased to the tire purchaser, and

(B) The distributor’s or dealer’s name and street address. In lieu of the street address, and if one is available, the distributor or dealer’s e-mail address or Web site may be recorded. Other means of identifying the distributor or dealer known to the manufacturer may also be used.

(ii) Record the following information on a paper tire registration form and return it to the tire manufacturer, or its designee, on behalf of the tire purchaser, at no charge to the tire purchaser and within 30 days of the date of sale or lease:

(A) The purchaser’s name and address,

(B) The entire tire identification number of the tire(s) sold or leased to the tire purchaser, and

(C) The distributor’s or dealer’s name and street address. In lieu of the street address, and if one is available, the distributor or dealer’s e-mail address or Web site may be recorded. Other means of identifying the distributor or dealer known to the manufacturer may also be used.

(iii) If authorized by the tire manufacturer, electronically transmit the following information on the tire registration form to the tire manufacturer, or its designee, using secure means (e.g., https on the web), at no charge to the tire purchaser and within 30 days of the date of sale or lease:

(A) The purchaser’s name and address,

(B) The entire tire identification number of the tire(s) sold or leased to the tire purchaser, and

(C) The distributor’s or dealer’s name and street address. In lieu of the street address, and if one is available, the distributor or dealer’s e-mail address or Web site may be recorded. Other means of identifying the distributor or dealer known to the manufacturer may also be used.

(2) Each independent distributor or dealer that complies with paragraph (a)(1)(i) or (ii) of this section shall use either the tire registration forms provided by the tire manufacturers pursuant to § 574.7(a) or registration forms obtained from another source. Paper forms obtained from other sources must comply with the requirements specified in § 574.7(a) for forms provided by tire manufacturers to independent distributors and dealers.

(3) Multiple tire sales or leases by the same tire purchaser may be recorded on a single paper registration form or in a single Web site transaction.

(4) Each independent distributor or dealer that is complying with paragraph (a)(1)(iii) with respect to a sale or lease shall include a statement to that effect on the invoice for that sale or lease and provide the invoice to the tire purchaser.

(b) *Other distributors and dealers.*

(1) Each distributor and each dealer, other than an independent distributor or dealer, selling new tires to tire purchasers:

(i) shall submit, using paper registration forms or, if authorized by the tire manufacturer, secure electronic means, the information specified in § 574.7(a)(4) to the manufacturer of the

tires sold, or to the manufacturer's designee.

(ii) shall submit the information specified in § 574.7(a)(4) to the tire manufacturer or the manufacturer's designee, not less often than every 30 days. A distributor or dealer selling fewer than 40 tires of all makes, types and sizes during a 30 day period may wait until a total of 40 new tires is sold. In no event may more than six months elapse before the § 574.7(a)(4) information is forwarded to the

respective tire manufacturers or their designees.

(c) Each distributor and each dealer selling new tires to other tire distributors or dealers shall supply to the distributor or dealer a means to record the information specified in § 574.7(a)(4), unless such means has been provided to that distributor or dealer by another person or by a manufacturer.

(d) Each distributor and each dealer shall immediately stop selling any

group of tires when so directed by a notification issued pursuant to 49 U.S.C. Section 30118,

*Notification of defects and noncompliance.*

4. In Part 574, Figures 3a, 3b and 4 are removed.

Issued on: January 16, 2008.

**Stephen R. Kratzke,**

*Associate Administrator for Rulemaking.*

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