of a tire, this period shall be 5 calendar years.

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PART 577—DEFECT AND NONCOMPLIANCE NOTIFICATION—[AMENDED]

1. The authority citation for Part 577 continues to read as follows:

Authority: 49 U.S.C. 30102–103, 30112, 30117–121, 30166–167; delegation of authority at 49 CFR 1.50.

2. Part 577 would be amended by adding § 577.11 to read as follows:

§ 577.11 Reimbursement notification.

(a) When a manufacturer of motor vehicles or replacement equipment is required to provide notice in accordance with §§ 577.5 or 577.6, in addition to complying with other sections of this part, the manufacturer shall notify owners that they may be eligible to receive reimbursement for the cost of obtaining a pre-notification remedy of a problem associated with a defect or noncompliance consistent with the manufacturer's reimbursement plan submitted to NHTSA pursuant to §§ 573.5(c)(8)(i) and 573.13 of this chapter.

(b) The manufacturer's notification shall include the following language, with the information described in brackets filled in fully and appropriately: ''If you paid to obtain a remedy for the problem covered by this recall between [the beginning of the period for reimbursement identified in the plan] and the date you received this letter, you may be eligible to have some or all of those costs reimbursed. To see whether you are eligible for such reimbursement, you can review or obtain [manufacturer's] reimbursement plan at [the specific Internet address (Uniform Resource Locator) for the plan applicable to the recall], by calling [manufacturer] at [the manufacturer's toll-free telephone number], or by writing to [manufacturer] at [address]. All claims for reimbursement must be submitted no later than [90 days after the end of the period for reimbursement].''

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Issued on: December 5, 2001.

Kenneth N. Weinstein,

Associate Administrator for Safety Assurance.

[FR Doc. 01–30487 Filed 12–10–01; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Parts 573 and 577

[Docket No. NHTSA–2001–11108]

RIN 2127–AI23

Motor Vehicle Safety; Acceleration of Manufacturer's Remedy Program

AGENCY: National Highway Traffic Safety Administration (NHTSA), DOT

ACTION: Notice of proposed rulemaking.

SUMMARY: This document proposes to amend regulations that pertain to manufacturers' remedies for defective or noncomplying motor vehicles and replacement equipment in order to implement Section 6(a) of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act. Section 6(a) provides that the Secretary of Transportation may require a manufacturer to accelerate the manufacturer's remedy program if the Secretary determines that it is not likely to be capable of completion within a reasonable time and the Secretary finds: there is a risk of serious injury or death if the remedy program is not accelerated; and that acceleration of the remedy program can be reasonably achieved by expanding the sources of replacement parts, expanding the number of authorized repair facilities, or both.

DATES: *Comments:* Comments must be received on or before February 11, 2002.

ADDRESSES: You may submit your comments in writing to: Docket Management, Room PL–401, 400 Seventh Street, SW., Washington, DC 20590. You may also submit your comments electronically by logging onto the Dockets Management System website at *http://dms.dot.gov*. Click on ''Help & Information'' or ''Help/Info'' to obtain instructions for filing the document electronically.

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

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

FOR FURTHER INFORMATION CONTACT: for non-legal issues, Jonathan White, Office of Defects Investigation, NSA–11, National Highway Traffic Safety Administration, telephone (202) 366–5227; for legal issues, Michael T. Goode, Office of Chief Counsel, NCC–10, National Highway Traffic Safety Administration, telephone (202) 366–5263.

SUPPLEMENTARY INFORMATION:

I. Background

On November 1, 2000, the TREAD Act, Pub. L. 106–414, was enacted. The statute was, in part, and as it relates to the specific provision discussed below, a response to congressional concerns related to manufacturers' delays in repairing or replacing motor vehicles or motor vehicle equipment that contain a safety-related defect or fail to comply with a Federal motor vehicle safety standard (FMVSS).

Under 49 U.S.C. 30118(b), the agency may make a final decision that a motor vehicle or replacement equipment contains a defect related to motor vehicle safety or does not comply with an applicable Federal motor vehicle safety standard. In addition, under section 30118(c), a manufacturer of a motor vehicle or replacement equipment is required to notify the agency when it determines, or should determine, that a vehicle or equipment contains a defect that is related to motor vehicle safety or the vehicle or equipment does not comply with an applicable safety standard.

Under both circumstances, the manufacturer is required to notify owners, purchasers and dealers of the defect or noncompliance, and to provide a remedy without charge. Section 30119 sets forth statutory requirements for owner notification and requires the manufacturer to give such notice within a reasonable time. See also 49 CFR part 577. However, if a final decision has been rendered under section 30118(b), then the Secretary prescribes the date by which the manufacturer must provide notification.

49 U.S.C. 30120 further provides that a manufacturer of a noncompliant or defective motor vehicle or replacement equipment must repair it or replace it with an identical or reasonably equivalent vehicle or equipment or, in the case of a vehicle, refund the purchase price less depreciation. Under section 30120(c), if a manufacturer decides to repair a defective or noncomplying motor vehicle or replacement equipment and the repair was not done adequately within a reasonable time, the manufacturer is required to replace the vehicle or equipment without charge or, for a vehicle, refund the purchase price. Failure to repair within 60 days after its presentation to a dealer is prima facie evidence of failure to repair or replace within a reasonable time. The agency can extend the 60-day period. This

section also requires the manufacturer to submit its program for remedying a defect or noncompliance to the agency.

49 CFR 573.5(c)(8) requires a manufacturer, as part of its defect and noncompliance information reports submitted to NHTSA, to provide a description of the manufacturer's program for remedying the defect or noncompliance. In 1995, NHTSA amended that section to require a manufacturer to advise NHTSA of the estimated date on which it will begin sending notifications to owners of the defect or noncompliance and that a remedy without charge will be available, as well as the estimated date when the notification campaign will be completed. Section 573.5(c)(8)(ii). In the preamble to the proposed rule that led to the amendment, NHTSA explained that there had been an increase in the number of recalls in which there was a significant delay in the commencement of the remedy campaign, and, in some instances, an inordinate extension of the duration of the campaign. NHTSA further explained that the amendment was necessary in order to assure that the timing and duration of remedy campaigns were appropriate, and also for NHTSA to be able to respond more fully to public questions about the timing of recalls. 58 FR 30817, September 27, 1993.

Section 6(a) of the TREAD Act added a new paragraph (3) to 49 U.S.C. 30120(c), which provides that if the Secretary determines that a manufacturer's remedy program is not likely to be capable of completion within a reasonable time, the Secretary may require the manufacturer to accelerate the remedy program if the Secretary finds: There is a risk of serious injury or death if the remedy program is not accelerated; and acceleration of the remedy program can be reasonably achieved by expanding the sources of replacement parts, expanding the number of authorized repair facilities, or both.

The agency expects that in the vast majority of recalls, this provision will not be invoked, primarily because in most cases manufacturers implement and complete their remedy programs within reasonable times under the circumstances.

While 49 U.S.C. 30120(c)(3) is effective in the absence of rulemaking, it provides that the Secretary may prescribe regulations to carry it out.

The authority to carry out Chapter 301 of Title 49 of the United States Code, under which the rules directed by the TREAD Act are to be issued, has been delegated to NHTSA's Administrator pursuant to 49 CFR 1.50.

Pursuant to the authorization in 49 U.S.C. 30120(c)(3), we are proposing to amend 49 CFR part 573 to add a new section 573.4. We are also proposing to amend 49 CFR part 577 to add a new section 577.12. Below is a summary and explanation of today's proposed rule.

II. Discussion

A. Who Would Be Required To Comply With Today's Proposal?

This rule would apply to manufacturers of motor vehicles and replacement equipment whose products have been determined to contain a safety-related defect or a noncompliance with a FMVSS. The agency had identified the manufacturing entities who are covered by 49 U.S.C. 30118–30120 in 49 CFR 573.3(a). In view of the above, we are proposing that section 573.3(a)–(f) apply to today's proposed regulation as well.

B. Under What Circumstances May the Administrator Require A Manufacturer To Accelerate Its Remedy Program?

The decision to require a manufacturer to accelerate its remedy program would be a discretionary decision by the Administrator. We are proposing that, to invoke this provision, the Administrator would be required to make two findings and one determination.

Under today's proposed regulation, one required finding, which would be adopted from the statute, would be that there is a risk of serious injury or death if the remedy program is not accelerated. To make this finding, there need only be a risk of such injury or death, not necessarily a high probability, and most safety recalls address circumstances where there is such a risk.

Second, with respect to the statutory requirement of a finding that ''acceleration of the remedy program can be reasonably achieved by expanding the sources of replacement parts, expanding the number of authorized repair facilities, or both,'' we likewise propose to adopt this statutory phrase as part of the rule.

With regard to the potential expansion of the sources of replacement parts, this finding is most likely to be made when a substantial aftermarket supply capability exists. For example, there are substantial numbers of quality aftermarket parts such as tires, brake rotors, steering and suspension components, and ignition components that can be used on many, if not most, vehicles. Thus, for example, if we were to find that an undue delay in completion of a remedy campaign was due to a manufacturer's inability to produce a sufficient number of brake rotors from its own plants or from its own suppliers, we could require the manufacturer to utilize, or allow owners to utilize, brake rotors from other sources that were appropriate for use on the vehicles in question. On the other hand, it is less likely that this finding would be made where there is no or little aftermarket supply capability for the defective components, such as air bag control units and many ABS brake control units, since the particular specifications of the remedy part may be unique to the particular vehicle or supplier. However, even when there is no aftermarket production of the part to be used as a remedy, the manufacturer may have the ability to expand the sources of replacement parts, such as by contracting with additional suppliers. In addition, in keeping with the congressional goal of assuring that a remedy be provided within a reasonable time, under today's proposal, the addition of assembly lines and/or production shifts within a factory would also be an expansion of the source of the parts within the meaning of section 30120(c)(3)(B).

With regard to the expansion of the number of authorized repair facilities, we note that major vehicle manufacturers have large networks of dealers to perform repairs. Ordinarily, we would not expect to make a finding reflecting the need for these major manufacturers to expand the number of authorized repair facilities. Other vehicle manufacturers, such as importers of limited-production vehicles and multistage vehicle manufacturers, and most manufacturers of equipment items do not have established networks of repair facilities. There have been instances in which an owner would have to travel a large distance to obtain the remedy repair directly from the manufacturer or one of its dealers. This may cause a consumer to delay or even forego the repair. Under the proposed rule we could require such manufacturers to expand the number of repair facilities in order to assure that the campaign is completed in a reasonable time.

Third, with respect to the need for a determination, required by statute, that a manufacturer's remedy program is not likely to be capable of completion within a reasonable time, we propose that reasonableness would be decided in light of all of the circumstances, including the efforts that the manufacturer has made to complete the remedy program, as well as the safety risks associated with the defect or noncompliance.

The statute is silent with respect to when we can require a manufacturer to accelerate its program under section 6(a). In the interests of motor vehicle safety, we believe it appropriate to impose such a requirement at any time that the statutory conditions are found to exist.

We also anticipate that there would be consultation between NHTSA and the manufacturer before a manufacturer would be formally required to accelerate the remedy program, but such consultation is not required by the statute. We further anticipate that in most cases in which we believed that acceleration was appropriate, the manufacturer would take action without being directed to do so by the agency.

C. How Would Acceleration Affect the Nature or Quality of the Remedy?

We would require manufacturers to assure that replacement parts from additional suppliers used under accelerated remedy programs are equivalent to the remedy parts supplied by the manufacturer, so that there will be no difference in the quality of the remedy received by owners. However, in those instances where parts are purchased from manufacturers other than those who would ordinarily supply parts for the vehicle in question, it may be difficult to determine whether or not the part is equivalent. We are proposing that we would have the authority, in appropriate cases, to require manufacturers to provide information to owners with respect to any differences among different brands of replacement parts.

For tires, we believe that there are guidelines available to assure that the tires from alternative sources are at least equivalent. The Uniform Tire Quality Grading System (UTQGS) sets forth three criteria that buyers can use to make relative comparisons among tires. See 49 CFR 575.104. The manufacturer would be required to provide tires of a size and type that are suitable for the owner's vehicle and of the same or better UTQGS rating in each category. Alternatively, a manufacturer could do what Bridgestone/Firestone, Inc. (Firestone) did in connection with the recent recall of millions of Firestone ATX and Wilderness AT tires. Firestone authorized owners to obtain replacement tires of their choice from any tire manufacturer, and agreed to reimburse the owner up to a specified amount per tire. Of course, the reimbursement amount would have to be sufficient to allow for the purchase of a tire that is reasonably equivalent to the defective or noncompliant tire.

As previously indicated, if warranted under the circumstances, we could require a manufacturer to add additional suppliers and/or production lines and/or production shifts in order to increase the number of available remedy parts. In those cases in which the manufacturer identified supplemental repair facilities, it would have to assure that the facility had the parts and expertise needed to adequately perform the remedy.

D. What Would the Manufacturer Be Required To Do After Being Required To Accelerate Its Remedy Program?

The manufacturer would be required to implement the accelerated remedy program as required by the agency. The level of detail and direction may vary. It may include expanding the sources of replacement parts provided to the manufacturer's franchised dealers, expanding the number of authorized repair facilities to include facilities not owned or franchised by the manufacturer that have repair or replacement capabilities. It may include both or other provisions. It may require submission of implementation plans and schedules. Particularly where non-owned or non-franchised facilities are involved, it may include reimbursement requirements, which, are discussed below.

E. What Notice Would the Manufacturer Be Required To Send To Vehicle or Equipment Owners?

This would depend upon the circumstances. If the manufacturer has not sent an initial notification to owners under 49 CFR part 577, relevant information about alternative parts or authorized repair facilities could be included in the initial notification letter. If the manufacturer has sent an initial notification to owners under 49 CFR part 577, the manufacturer would normally be required to send a supplemental letter to all owners except those who have had the remedy performed. Proposed section 577.12 would apply to the scope, timing, form, and content of the notice to be sent by the manufacturer.

F. Accelerated Remedy Programs Involving Reimbursement

In some circumstances, the remedy program could be accelerated without any payment by owners, and there would therefore be no need for reimbursement. In these instances, appropriate financial arrangements would be made between the manufacturer and the dealer or repair facility. For example, when a vehicle is repaired at a dealer who is franchised or authorized by the vehicle manufacturer or when the parts in question (e.g., a tire) are provided by a facility owned or franchised by the manufacturer, the manufacturer would reimburse the dealer for the cost of the parts as well as labor, and the owner would not make a payment. However, in other circumstances, the accelerated program might be structured to allow an owner to obtain the remedy from independent third-party parts suppliers and/or repair facilities, pay that independent entity, and then be reimbursed by the manufacturer.

Reimbursement under an accelerated remedy program would be similar in most respects to the applicable provisions of our proposed regulation implementing section 6(b) of the TREAD Act, codified as the third and fourth sentences of 49 U.S.C. 30120(d) (''pre-notification remedy''). Elsewhere in this issue of the **Federal Register**, we have issued a notice of proposed rulemaking (NPRM) to implement that section. Of course, there are two obvious differences. The effective periods of the respective programs are different. Under the pre-notification remedy program, reimbursement may be available for expenditures before notification of a defect or noncompliance. Under an acceleration of remedy program, reimbursement may be available for expenditures after notification, as provided in the program. Second, under the pre-notification remedy program, reimbursement may be available for a range of remedies that addressed the underlying problem. Under an acceleration of remedy program, reimbursement may not be available at all under the program, and when it is, it may be conditioned on use of a specific remedy. In addition, the acceleration of remedy program may limit the owner to obtaining the remedy at specific service facilities. However, these substantive differences do not affect the application of the general procedures for reimbursement in the pre-notification remedy program. The provisions pertaining to what documentation a manufacturer may require a claimant to submit to obtain reimbursement would be identical to this program, as would be the provisions relating to the amount of reimbursement and the time frame for seeking reimbursement, and the method for owners to obtain a copy of the plan. Since the process governing reimbursement under the two programs would virtually be the same, we see no need to repeat the provisions in this proposal or discuss the provisions here. Interested persons are referred to our discussion of these provisions in the

preamble to the pre-notification remedy NPRM mentioned above. Of course, to the extent that we modify the proposal in that NPRM following public comment, we would make corresponding changes to the applicable provisions of the accelerated remedy rule.

G. Could a Manufacturer Terminate an Accelerated Remedy Program?

We believe that a manufacturer should be able to terminate an accelerated remedy program when the conditions that gave rise to the accelerated program no longer exist. We do not believe that we should require a manufacturer to authorize the use of alternative replacement parts or to reimburse an owner who purchased such parts if the manufacturer is able to provide the recall remedy promptly. Thus, we are proposing that a manufacturer that believes that it can meet all future demand for the remedy through its own mechanisms (*e.g.,* its dealers) may request the agency to authorize it to terminate the accelerated remedy program.

Under the proposal, if NHTSA agrees, the manufacturer could terminate the program, provided that notice is given at least 30 days in advance of the termination date of the accelerated component of the remedy program to all owners of unremedied vehicles or equipment. We invite comment with regard to how such notice should be given.

We are concerned that a notice terminating the accelerated aspect of a recall could confuse an owner or be misinterpreted by an owner as terminating the recall. As a result, the owner might not obtain the remedy, which would compromise motor vehicle safety. We request comment on how to avoid this result.

Regulatory Analyses and Notices

1. Executive Order 12866 and DOT Regulatory Policies and Procedures

We have considered the impact of this rulemaking action under E.O. 12866 and the Department of Transportation's regulatory policies and procedures. This rulemaking was not reviewed under E.O. 12866, ''Regulatory Planning and Review.'' This rulemaking is not considered ''significant'' under the Department of Transportation's regulatory policies and procedures. The impacts of this rule are expected to be so minimal as not to warrant preparation of a full regulatory evaluation. We do not foresee substantially increased costs to the manufacturer because of an accelerated remedy program. First, a remedy program already exists. The scope of the remedy program is not being expanded. The only aspects being affected are the time for completion and the alternative sources of the remedy. Second, we expect this provision to be invoked infrequently, since in the large majority of cases the manufacturer's original remedy program will resolve the defect or noncompliance in a timely fashion.

2. Regulatory Flexibility Act

We have also considered the impacts of this notice under the Regulatory Flexibility Act. I certify that this proposed rule would not have significant economic impact on a substantial number of small entities. The impacts of this rule are expected to be so minimal as not to warrant preparation of a full regulatory evaluation because this provision only involves accelerating a manufacturer's remedy program and the incidence of such an occurrence is expected to be limited.

3. National Environmental Policy Act

We have analyzed this proposal under the National Environmental Policy Act and determined that it will not have any significant impact on the quality of the human environment.

4. Paperwork Reduction Act

NHTSA has determined that this proposed rule will impose new collection of information burdens within the meaning of the Paperwork Reduction Act of 1995 (PRA).

5. Executive Order 13132 (Federalism)

Executive Order 13132 on ''Federalism'' requires us to develop an accountable process to ensure ''meaningful and timely input'' by State and local officials in the development of ''regulatory policies that have federalism implications.'' The E.O. defines this phrase to include regulations ''that have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.'' This proposed rule, which would provide for requiring manufacturers to accelerate a remedy program, will not have substantial direct effect 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, as specified in E.O. 13132. This rule making does not have those implications because it applies to a manufacturer, and not to the States or local governments.

6. Civil Justice Reform

This proposed rule would not have a retroactive or preemptive effect. Judicial review of the rule may be obtained pursuant to 5 U.S.C. 702. That section does not require that a petition for reconsideration be filed prior to seeking judicial review.

7. Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act of 1995 (P.L. 104–4) requires agencies to prepare a written assessment of the cost, benefits and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local or tribunal governments, in the aggregate, or by the private sector, of more than $100 million annually. Because this proposed rule would not have a $100 million annual effect, no Unfunded Mandates assessment is necessary and one will not be prepared.

Plain Language

Executive Order 12866 and the President's memorandum of June 1, 1998, require 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 the rule easier to understand?

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

Submission of Comments

How Can I Influence NHTSA's Thinking on This Rule?

In developing this proposed rule, we tried to address the anticipated concerns of all our stakeholders. Your comments will help us. We invite you to provide different views on it, new approaches we have not considered, new data, how this rule may affect you, or other relevant information. Your comments

will be most effective if you follow the suggestions below:

Explain your views and reasoning as clearly as possible.

- Provide solid information to support your views.
- If you estimate potential numbers or reports or costs, explain how you arrived at the estimate.
- Tell us which parts of the rule you support, as well as those with which you disagree.
- Provide specific examples to illustrate your concerns.
- Offer specific alternatives.
- Refer your comments to specific sections of the rule, such as the units or page numbers of the preamble, or the regulatory sections.
- Be sure to include the name, date, and docket number with your comments.

How Do I Prepare and Submit Comments?

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

Your comments must not be more than 15 pages long. (49 CFR 553.21). 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 two copies of your comments, including the attachments, to Docket Management at the address given above under **ADDRESSES.**

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

How Can I Be Sure That My Comments Were Received?

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

How Do I Submit Confidential Business Information?

If you wish to submit any information under a claim of confidentiality, you should submit three copies of your complete submission, including the information you claim to be confidential business information, to the Chief Counsel (NCC–30), NHTSA, at the address given above under **FOR FURTHER INFORMATION CONTACT.** In addition, you should submit two copies, from which you have deleted the claimed confidential business information, to Docket Management at the address given above under **ADDRESSES.** When you send a comment containing information claimed to be confidential business information, you should include a cover letter setting forth the information specified in our confidential business information regulation. (49 CFR part 512.)

Will the Agency Consider Late Comments?

We will consider all comments that Docket Management receives before the close of business on the comment closing date indicated above under **DATES.** To the extent possible, we will also consider comments that Docket Management receives after that date. If Docket Management receives a comment too late for us to consider it 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 and Other Materials Relevant to This Rulemaking?

You may view the materials in the docket for this rulemaking on the Internet. These materials include the written comments submitted by other interested persons and the preliminary regulatory evaluation prepared by this agency. You may read them at the address given above under **ADDRESSES.** The hours of the Docket are indicated above in the same location.

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

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

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

(3) On the next page (*http://dms.dot.gov/search/*), type in the four-digit docket number shown at the beginning of this document. Example: If the docket number were ''NHTSA–2000–1234,'' you would type ''1234.'' After typing the docket number, click on ''search.''

(4) On the next page, which contains docket summary information for the materials in the docket you selected, click on the desired comments. You may download the comments.

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

List of Subjects in 49 CFR Parts 573 and 577

Motor vehicle safety, Reporting and recordkeeping requirements, Tires.

In consideration of the foregoing, NHTSA proposes to amend 49 CFR Parts 573 and 577 as set forth below.

PART 57B—DEFECT AND NONCOMPLIANCE REPORTS

1. The authority citation for Part 573 of Title 49, CFR, continues to read as follows:

Authority: 49 U.S.C. 30102–103, 30112, 30117–121, 30166–167; delegations of authority at 49 CFR 1.50; 501.2.

2. Part 573 is amended, by adding § 573.14 to read as follows:

* * * * *

§ 573.14 Accelerated remedy program

(a) An accelerated remedy program is one in which the manufacturer expands the sources of replacement parts needed to remedy the defect or noncompliance, or expands the number of authorized repair facilities beyond those facilities that usually and customarily provide remedy work for the manufacturer, or both.

(b) The Administrator may require a manufacturer to accelerate its remedy program if:

(1) The Administrator finds that there is a risk of serious injury or death if the remedy program is not accelerated;

(2) The Administrator finds that acceleration of the remedy program can be reasonably achieved by expanding the sources of replacement parts, expanding the number of authorized repair facilities, or both; and

(3) The Administrator determines that the manufacturer's remedy program is not likely to be capable of completion within a reasonable time.

(c) The Administrator, in deciding whether to require the manufacturer to accelerate a remedy program and what to require the manufacturer to do, may consider a wide range of information, including, but not limited to, the following: the manufacturer's initial or revised report submitted under § 573.5(c), information from the manufacturer, information from other manufacturers and suppliers, information from any source related to the availability and implementation of the remedy, and the seriousness of the

risk of injury or death associated with the defect or noncompliance.

(d) As required by the Administrator, an accelerated remedy program shall include the manner of acceleration (the expansion of the sources of replacement parts, expansion of the number of authorized repair facilities, or both), may identify the parts to be provided and/or the sources of those parts, may require the manufacturer to notify the agency and owners about any differences among different sources or brands of parts, may require the manufacturer to identify additional authorized repair facilities, and may specify additional owner notifications related to the program. The Administrator may also require the manufacturer to include a program to provide reimbursement to owners who incur costs to obtain the recall remedy from sources that are not reimbursed by the manufacturer.

(e) Under an accelerated remedy program, the remedy that is provided shall be equivalent to the remedy that would have been provided if the program had not been accelerated. The replacement parts used to remedy the defect or noncompliance shall be reasonably equivalent to those that would have been used if the remedy program were not accelerated. The service procedures shall be reasonably equivalent. In the case of tires, the replacement tire shall be the same size and type as the defective or noncompliant tire, shall be suitable for use on the owner's vehicle, and for passenger car tires, shall have the same or better rating in each of the three categories enumerated in the Uniform Tire Quality Grading System. See 49 CFR 575.104. For child restraint systems, any replacement shall be of the same type and the same overall quality.

(f) In those instances where the accelerated remedy program provides that an owner may obtain the remedy from a source other than the manufacturer or its dealers or authorized facilities by paying for the remedy and/or its installation, the manufacturer shall reimburse the owner for the cost of obtaining the remedy as specified in paragraphs (b)(1) through (3) of this section. Under these circumstances, the accelerated remedy program shall include, to the extent required by the Administrator:

(1) A description of the remedy and costs that are eligible for reimbursement, including identifying the equipment and/or parts and labor for which reimbursement is available;

(2) Identification, with specificity or as a class, of the alternative repair facilities at which reimbursable repairs may be performed, including an explanation of how to arrange for service at those facilities; and

(3) Other provisions assuring appropriate reimbursement that are consistent with those set forth in § 573.13, including but not limited to provisions regarding the procedures and needed documentation for making a claim for reimbursement, the amount of costs to be reimbursed, the office to which claims for reimbursement shall be submitted, the requirements on manufacturers for acting on claims for reimbursement, and the methods by which owners can obtain information about the program.

(g) In response to a manufacturer's request, the Administrator may authorize a manufacturer to terminate its accelerated remedy program if the Administrator concludes that the manufacturer can meet all future demands for the remedy through its own sources in a prompt manner. The manufacturer shall provide individual notice of the termination of the program to all owners of unremedied vehicles and equipment at least 30 days in advance of the termination date in a form approved by the Administrator.

(h) Each manufacturer shall implement any accelerated remedy program required by the Administrator according to its terms.

* * * * *

3. Part 577 is amended by adding § 577.12 to read as follows:

§ 577.12 Notification pursuant to an accelerated remedy program.

(a) When the Administrator requires a manufacturer to accelerate its remedy program under § 573.12 of this chapter, in addition to complying with other sections of this part, the manufacturer shall provide notification in accordance with this section.

(b) Except as provided elsewhere in this section, or when the Administrator determines otherwise, the notification under this section shall be sent to the same recipients as provided by § 577.7. If no notification has been provided to owners pursuant to this part, the provisions required by this section may be combined with the notification under §§ 577.5 or 577.6. A manufacturer need only provide a notification under this section to owners of vehicles or items of equipment for which the defect or noncompliance has not been remedied.

(c) The manufacturer's notification shall include the following:

(1) If there was a prior notification, a statement that identifies it and states that this notification supplements it.

(2) A statement that the National Highway Traffic Safety Administration has required the manufacturer to accelerate its remedy program and a statement of how it has been expanded (e.g., by expanding the sources of replacement parts and/or expanding the number of authorized repair facilities).

(3) In the case of an accelerated remedy program involving repair through service facilities other than those owned or franchised by the manufacturer or through the manufacturer's authorized dealers, a statement that the owner may elect to obtain the remedy using designated service facilities other than those that are owned or franchised by the manufacturer or are the manufacturer's authorized dealers.

(4) In the case of an accelerated remedy program involving replacement of parts or equipment from sources other than the manufacturer, a statement that the owner may elect to obtain the remedy using replacement parts or equipment from specified sources other than the manufacturer.

(5) The following statements and information shall be included insofar as they are applicable:

(i) A statement indicating whether the owner will be required to pay the alternative facility and/or parts supplier, as may be applicable, subject to reimbursement by the manufacturer;

(ii) Identification of alternative service facilities where the owner may have repairs performed;

(iii) An explanation of how to arrange for service at alternative service facilities; and/or

(iv) Identification of alternative replacement parts that may be utilized.

(6) If applicable, the manufacturer's notification shall include the following language, with the blanks filled in appropriately: ''If you elect to obtain the remedy [at a service facility other than the [manufacturer's], one of its dealers or another authorized facility] [and/or] [using sources of replacement parts or equipment other than [the manufacturer's]] and you pay for [that service] [or] [those parts], you will be eligible to be reimbursed for your expenditures. To see what costs are eligible for reimbursement and what procedures apply, you can review or obtain [manufacturer's] accelerated remedy program at [the specific Internet URL for the program], by calling [manufacturer] at [the manufacturer's toll-free telephone number], or by writing to [manufacturer] at [address].

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Kenneth N. Weinstein,

Associate Administrator for Safety Assurance.

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