

FOR FURTHER INFORMATION CONTACT:

Kathleen Dunn, U.S. Department of Transportation, Maritime Administration, MAR-832 Room 7201, 400 Seventh Street, SW., Washington, DC 20590. Telephone 202-366-2307.

SUPPLEMENTARY INFORMATION: Title V of Pub. L. 105-383 provides authority to the Secretary of Transportation to administratively waive the U.S.-build requirements of the Jones Act, and other statutes, for small commercial passenger vessels (no more than 12 passengers). This authority has been delegated to the Maritime Administration per 49 CFR § 1.66, Delegations to the Maritime Administrator, as amended. By this notice, MARAD is publishing information on a vessel for which a request for a U.S.-build waiver has been received, and for which MARAD requests comments from interested parties. Comments should refer to the docket number of this notice and the vessel name in order for MARAD to properly consider the comments. Comments should also state the commenter's interest in the waiver application, and address the waiver criteria given in § 388.4 of MARAD'S regulations at 46 CFR part 388.

Vessel Proposed for Waiver of the U.S.-build Requirement

(1) Name of vessel and owner for which waiver is requested. Name of vessel: CHALLENGE BUSINESS 28. Owner: Challenge Business, Ltd.

(2) Size, capacity and tonnage of vessel. According to the applicant: "66.24' long, has a breadth of 17.32' and a depth of 8.6'. Under our Simplified Admeasurement Rules, (46 CFR part 69), the yacht has a gross tonnage of 46.2 and a net tonnage of 41.62.

(3) Intended use for vessel, including geographic region of intended operation and trade. According to the applicant: "The yacht will be used to generate interest in sailing boats of this type around the world in a race called the New World Challenge 2002. Ordinary people, from all walks of life, will become members of the crew on 10 newer, slightly larger boats that will sail from the United Kingdom to Boston, MA, then New York, Buenos Aires, Argentina, around Cape Horn to Chile, San Diego and finally to San Francisco. The interest, love and excitement of sailing such boats, in difficult conditions, over a period of approximately 10 months, will be supported by a number of corporate sponsors who expect to benefit from the team building aspect of the race and the publicity that the race will generate. To foster interest in the race among potential sponsors and supporters of the

race, the yacht will be used as an information and training platform. The owner intends to take members of the press, and other media, on the boat to experience what it will be like to sail a boat of this type in this race. Similarly, the owner wishes to take potential and actual sponsors and supporters of the race on the boat for the same purpose. None of the press, media, and supporters will be asked to pay anything for sailing aboard this yacht. But, we have been advised that unless the boats sail "voyages to nowhere" (i.e. three miles from port and back again), that some of these activities would be violative of U.S. coastwise laws. This yacht will be based in Boston, MA, and may be sailed anywhere along the East Coast of North America."

(4) Date and Place of construction and (if applicable) rebuilding. Date of construction: 1992. Place of construction: United Kingdom.

(5) A statement on the impact this waiver will have on other commercial passenger vessel operators. According to the applicant: "This activity will have absolutely no impact on the operations of any commercial passenger operations. This boat had been used in another, similar race promoted by Challenge Business. The yacht is very similar in size, design, sail area and handling characteristics to the 10 boats that will be competing in the race. Thus, it is one of the most representative, and one of the few "experienced", boats and could be used for the intended purpose. Further, this boat and the others employed in the Challenge Business race are very unique. This project brings together ordinary people, the corporate and non-profit communities, and fully involves them in sailing one-design-boats in a sailing experience that is not duplicated anywhere in the world. No existing commercial vessel operated by anyone else can fill this role."

(6) A statement on the impact this waiver will have on U.S. shipyards. According to the applicant: "Similarly, the proposed activity will have absolutely no impact on U.S. shipyards. This yacht is uniquely valuable in that it has been raced under similar conditions, in a similar race while manned by individuals who had little, if any, sailing experience, before sailing aboard such a yacht. This yacht most accurately represents the look, feel and impact that the 10 yachts in the race will have on the sailors, media, press, sponsors and supporters. Given its historical connection to a similar race, no newly built U.S. yacht could preform the proposed activity. Further, we are not aware of any similar yachts

currently under construction in the U.S."

Dated: June 18, 2001.

By order of the Maritime Administrator.

Joel C. Richard,

Secretary, Maritime Administration.

[FR Doc. 01-15640 Filed 6-20-01; 8:45 am]

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DEPARTMENT OF TRANSPORTATION**National Highway Traffic Safety Administration****Notice of Public Meeting and Request for Comments To Address the Development of a Booster Seat Education Plan; Correction**

AGENCY: National Highway Traffic Safety Administration, Department of Transportation.

ACTION: Notice; correction.

SUMMARY: The National Highway Traffic Safety Administration published a document in the **Federal Register** of June 6, 2001, concerning notice of public meeting and request for comments to address the development of a booster seat education plan. The document was incorrectly published as a Proposed Rule. It should have been published as a Notice because it will not lead to Rulemaking. The document also contained incorrect dates.

FOR FURTHER INFORMATION CONTACT: Tami Levitas, NHTSA, 202-366-0652.

Correction

1. In the **Federal Register** of June 6, 2001, in (66 FR 30366) (Docket NHTSA-01-9785), on page 30367, in the first column, second paragraph, correct the "Dates" caption to read:

DATES: * * * Written Comments: Written requests to speak at the public meeting and/or suggestions for items to be included in the meeting agenda, should be received at Docket Management at the below address no later than July 3, 2001. Comments to be submitted for the public record should be received at Docket Management at the below address no later than July 13, 2001.

2. In the **Federal Register** of June 6, 2001, in (66 FR 30366) (Docket NHTSA-01-9785), on page 30367, correct the third column, paragraph after question 12, first sentence, of the "Supplementary Information" caption to read:

If you wish to make a presentation at the meeting, please contact Tami Levitas at the above mailing address or telephone number by July 3, 2001.

Dated: June 15, 2001.

Rose A. McMurray,

Associate Administrator for Traffic Safety Programs.

[FR Doc. 01-15603 Filed 6-20-01; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA 01-9362; Notice 2]

Saleen, Inc.; Grant of Application for Temporary Exemption From Federal Motor Vehicle Safety Standard No. 208

This notice grants the application by Saleen, Inc., of Irvine, California, for a temporary exemption of its S7 passenger car from the automatic restraint requirements of Federal Motor Vehicle Safety Standard No. 208 *Occupant Crash Protection*. The basis of the request was that compliance would cause substantial economic hardship to a manufacturer that has tried to comply with the standard in good faith. 49 U.S.C. 30113(b)(3)(B)(i).

We published notice of receipt of the application on April 23, 2001, and afforded an opportunity for comment (66 FR 20520).

Saleen referred to itself as a "small volume US manufacturer which currently produces the Saleen S281 and the XP8 Explorer." Saleen receives completed and certified Mustangs and Explorers from Ford Motor Company drop shipped at the direction of the dealers who own them. Saleen adds a supercharger, makes "other minor engine modifications, front and rear bumper outer skin designs, the seat trim, [upgrades] the tires' wheels/suspension/brakes, and [adds] appliques to the exterior and interior of the vehicle. Saleen does not make any structural changes to the Mustang or the Explorer." Under NHTSA regulations, Saleen is considered an alterer, rather than a manufacturer, since it modifies previously certified vehicles. (See 49 CFR 567.7). Although it may have altered several hundred Ford vehicles in the year preceding the filing of its application, we have not previously regarded Saleen as a "manufacturer."

Saleen now intends to manufacture a motor vehicle of its own design. As the vehicle has not entered production, Saleen has manufactured no motor vehicles in the year preceding the filing of its application. The vehicle is called the S7 and is a "two seat, coupe, sportscar." The S7 has been shown in prototype form at automobile shows around the country. The prototype does

not fully comply with the lighting requirements of Motor Vehicle Safety Standard No. 108, *Lamps, Reflective Devices and Associated Equipment*, but Saleen has assured us that the next prototype and the production models to follow will meet Standard No. 108 and all other standards as well, with the exception of the automatic restraint requirements of Standard No. 208, paragraph S4.1.5.3.

Saleen asked for a three-year exemption for the S7 and anticipates that it will sell a total of 112 of them by the end of 2003. According to the petition, preliminary compliance-related development of the S7 was started in July 2000. By the time it filed its petition in December 2000, the company had "spent an estimated total of 180 man-hours and \$18,000 relating to the installation of a driver and passenger side airbag system on the S7." The monies spent thus far "have been in the areas of exterior and interior design necessary for the installation of airbags." It has been advised that the airbag development process would cost approximately \$1,000,000 not including the cost of test prototype vehicles and airbags, and tooling. This process cannot be completed by the time the company expects to launch the S7, in the summer of 2001. Indeed, the company estimated that it will take up to 20 months to fully develop a system and that the total costs will approach \$3,000,000.

Saleen had cumulative net losses before taxes for the past three fiscal years of \$9,716,334. It states that it "simply cannot afford to develop the airbags in either the first (2001) or second (2002) year" because of these losses. The company "has exhausted all of its borrowing capacity and must sell and ship S7 vehicles (as well as its other products) to generate cash flow sufficient to defray airbag development costs as well as other S7 development costs." Although "funding for the S7 was secured through a private investor," Saleen states that "all further funding for airbags must come from our ordinary income." Even with an exemption, Saleen projected net losses continuing through the end of the period though earnings before interest, taxes, depreciation and amortization would be positive. It plans to spread out air bag development costs over the next three years to achieve compliance by the end of the exemption period. If the petition is denied, the company believes that it would lose credibility with dealers and negatively impact the demand for altered Saleen vehicles.

The company argued that a temporary exemption is in the public interest

because the S7 "is a unique super car designed and produced in the U.S. utilizing many U.S. sourced components." An exemption would also allow it to maintain its payroll of 122 full time employees and to continue its purchase of U.S. sourced components for the Mustangs and Explorers that it modifies. Its business with U.S. suppliers "indirectly provides employment for several hundred other Americans." An exemption is consistent with vehicle safety objectives because the S7 otherwise will conform to all applicable Federal motor vehicle safety standards.

We received no comments from the public on Saleen's application.

Saleen is typical of small volume manufacturers who have received temporary exemptions in the past on hardship grounds. It is commencing to manufacture high-priced automobiles for a specialty market with limited resources to do so, and its income statements show net losses for previous fiscal years. It is manifest that to require compliance with Standard No. 208 now would cause Saleen substantial economic hardship through preventing it from the opportunity to enter a new market, although a denial of its application would not appear to NHTSA to have a material effect on its current operations as an alterer.

Saleen is typical, too, in extending its compliance development efforts over a period of time in recognition of its limited finances. NHTSA notes that the company estimates that it will take up to 20 months to fully develop an automatic restraint system. This would appear to justify a 24-month exemption rather than one of 36 months.

The agency has traditionally found that the public interest is served in affording continued employment to a small volume manufacturer's work force and to those of its U.S.-sourced component suppliers, as well as affording the public a wider variety of motor vehicles. An exemption in this case would appear to afford an opportunity for new jobs and part suppliers connected with manufacturing the S7. In the usual case, the vehicle that is the subject of the application complies with all other applicable Federal motor vehicle safety standards and will be made in quantities that will have a negligible impact on the overall level of safety on the roads of this country.

All these factors are present in this case. In consideration of the foregoing, it is hereby found that compliance with the automatic restraint requirements of Standard No. 208 would cause substantial economic hardship to a