

What is the Rules and Regulations Section of the *Federal Register* ?

- **Contains documents with:**
 - ✧ **Final legal effect**
 - ✧ **General applicability to the public**
- **Most, but not all, rules amend the CFR and are codified in the annual revision**
- **The terms “rules” and “regulations” are used interchangeably in the Federal Register publication system**

What Types of Documents are in the Rules & Regulations Section ?

- **Final Rules**
- **Interim Final Rules**
- **Direct Final Rules**
- **Documents that relate to previous rules & regulations**
Such as:
 - ✧ **Interpretive Rules and Policy Statements**
 - ✧ **Withdrawal or Confirmation of rule, change to effective date**
 - ✧ **Temporary Rules**

Final Rule

- **Why is it issued?**
 - ✧ Generally, to amend the CFR (by adding, removing or revising text)
- **What does it make final?**
 - ✧ Finalizes a previously issued proposed rule
 - OR
 - ✧ Takes final action without a prior proposed rule (for good cause)
- **When is it effective?**
 - ✧ At least 30 days from date of publication, in most cases
 - ✧ At least 60 days from date of publication for major rules
 - ✧ On date of publication in response to emergency, or for other good cause shown

Standard Preamble Headings & Captions

Headings ➡ Agency name, CFR title and part(s), docket info, subject matter

Captions ↓

- **AGENCY:** e.g., Research and Special Programs Administration, DOT
- **ACTION:** e.g., “Final rule”, “Interim final rule”
- **SUMMARY:** brief what and why: the issues & rulemaking objectives
- **DATES:** effective dates; applicability and compliance dates; comment dates for interim and direct final rules
- **ADDRESSES:** docket info; mail/fax/e-mail for comments or objections
- **FOR FURTHER INFORMATION CONTACT:**
name and number/e-mail of knowledgeable person at agency
- **SUPPLEMENTARY INFORMATION:**
main discussion of issues and rulemaking objectives and regulatory analyses

Headings:
Agency + Sub-agency
CFR part(s) affected
Docket No. and
OMB Reg Info No. (RIN)
Subject matter

Date caption: shows effective date and compliance date

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Part 575

[Docket No. 99-5697]

RIN 2127-AG67

Consumer Information Regulations; Uniform Tire Quality Grading Standards

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

SUMMARY: This final rule amends the agency's consumer information regulations and the Uniform Tire Quality Grading Standards (UTQGS) by rescinding the requirement that passenger car manufacturers provide general UTQGS information to purchasers and potential purchasers at the point of sale of new vehicles, requiring instead that such information be included in owners' manuals. In addition, this rule removes the requirement that manufacturers supply copies of UTQGS information to the agency, and removes a number of obsolete definitions. Finally, this rule amends the existing exclusion of tires with nominal rim diameters of 10-12 inches from the UTQGS to now exclude tires with nominal rim diameters of 12 inches or less.

This action is being taken because the agency believes that elimination of the point-of-sale requirement will relieve a significant burden on vehicle manufacturers and dealers, yet will have little effect on consumers. The agency believes that UTQGS information is of little value to consumers at the point of sale of new vehicles because new vehicles are typically sold with tires selected by the manufacturer based on vehicle model, weight, and options.

Further, consumers have shown little interest in UTQGS when shopping for or purchasing new vehicles. The agency believes that consumers will be better served by requiring such information to be included in owners' manuals for the future reference of those consumers when shopping for replacement tires.

DATES: Effective date: The amendments in this final rule are effective September 1, 1999. **Compliance date:** Optional early compliance is permitted beginning on the date of publication of this final rule in the **Federal Register**.

Petitions for reconsideration of this final rule must be received by NHTSA not later than July 8, 1999.

ADDRESSES: Petitions for reconsideration should be submitted to the Administrator, National Highway Traffic Safety Administration, 400 Seventh Street, SW, Washington, DC 20950.

FOR FURTHER INFORMATION CONTACT:

For technical issues: Mr. P. L. Moore, Safety Standards Engineer, Office of Planning and Consumer Programs, Office of Safety Performance Standards, National Highway Traffic Safety Administration, 400 Seventh Street, SW, Washington, DC 20590; telephone (202) 366-5222.

For legal issues: Mr. Walter K. Myers, Attorney-Advisor, Office of the Chief Counsel, National Highway Traffic Safety Administration, 400 Seventh Street, SW, Washington, DC 20590, telephone (202) 366-2992.

SUPPLEMENTARY INFORMATION:

A. Background

Section 30123(e) of Title 49, U.S. Code, requires the Secretary of Transportation to prescribe a uniform quality grading system for motor vehicle tires to help consumers make an informed choice when purchasing tires. NHTSA implemented this statutory mandate by issuing the UTQGS at 49 CFR 575.104, applicable to new passenger car tires. The UTQGS require passenger car and tire manufacturers and tire brand name owners to provide consumers with tire grading information with respect to the tires' relative performance in treadwear, traction, and temperature resistance characteristics. Excluded from the UTQGS are deep-tread, winter-type snow tires, space-saver or temporary-use spare tires, tires with nominal rim diameters of 10 to 12 inches, and limited production tires as described in 49 CFR 575.104(c)(2).

Section 575.6(a) of Title 49, CFR, requires that at the time a motor vehicle is delivered to the first purchaser for purposes other than resale, the vehicle manufacturer must provide, in writing

and in the English language, the information specified in §§ 575.103 and 575.104 that is applicable to that vehicle and its tires. The information required for tires is specified in § 575.104(d)(1)(iii), which requires vehicle manufacturers to list all possible grades for traction and temperature resistance and restate verbatim the explanation of each of the 3 performance areas. The information must also contain a statement referring the reader to the tire sidewall for the specific grades of the tires with which the vehicle is equipped. Section 575.6(c) requires each vehicle manufacturer, brand name owner of tires, and manufacturer of tires for which there is no brand name owner to provide the information specified in subpart B of Part 575 to prospective purchasers at each location at which its vehicles or tires are offered for sale.

B. Notice of Proposed Rulemaking.

The agency received a petition for rulemaking from the Association of International Automobile Manufacturers (AIAM) to rescind the UTQGS requirements on motor vehicle manufacturers. In response to that petition, the agency published a Notice of Proposed Rulemaking (NPRM) on May 21, 1998. The NPRM proposed:

(1) To amend § 575.6(a)(1) by requiring vehicle manufacturers to include the UTQGS information prescribed in § 575.104, Figure 2, Part II, in each vehicle's owner's manual rather than requiring them to provide UTQGS information to purchasers and prospective purchasers at the point of sale of new vehicles. This action would delete the requirement that manufacturers provide UTQGS information at the point of sale, but would instead make that information available to vehicle purchasers in their owners' manuals;

(2) To amend § 575.104(c)(1) to exclude tires with nominal rim diameters of 12 inches or less, rather than tires with nominal rim diameters of 10-12 inches. This change would eliminate any ambiguity about grading tires smaller than 10 inches;

(3) To delete the definition of "brake power unit," "lightly loaded vehicle weight," "maximum loaded vehicle weight," and "maximum sustained vehicle speed" from § 575.2(c) because they are no longer pertinent to part 575; and

(4) To revise Example 2 in § 575.6(a)(1) to reflect the changes made in that section.

In addition to the above proposals, NHTSA requested comments on a series of 7 questions soliciting comments on

Discussion of preceding Proposed Rule

Action caption

Summary describes the subject, need for, and intended effect of rule

Final Rule Preamble

Response to comments on Proposed Rule

such issues as the extent to which consumers and potential consumers consider the UTQGS information provided by vehicle manufacturers at the point of sale of new vehicles, what quantities and what costs are incurred in providing UTQGS information at the point of sale, how much lead time would be required to include UTQGS information in owners' manuals, and what costs or other problems would be incurred by requiring that manufacturers provide the UTQGS ratings for the specific tires mounted on each vehicle.

C. Comments on the NPRM.

NHTSA received comments from Mercedes-Benz of North America, Inc. (Mercedes), Volkswagen of North America, Inc. (VW), AIAM, and the American Automobile Manufacturers Association (AAMA) in response to the NPRM. The comments are summarized as follows:

(1) *Delete Requirement for UTQGS Information at Point of Sale of New Vehicles.* The commenters unanimously supported the proposal to delete the requirement that motor vehicle manufacturers provide UTQGS information to purchasers and prospective purchasers at the point of sale of new vehicles. All agreed that purchasers and prospective purchasers rarely ask for UTQGS information at that point. They argued that, in any case, UTQGS information is of no value at that point because tires are not an item of choice for vehicle purchasers. They asserted, therefore, that such information is irrelevant for purchasers and prospective purchasers of vehicles, but should be provided at the place where replacement tires are being considered.

(2) *Require UTQGS Information in Owner's Manuals.* Only Mercedes expressed support for the proposal to include the UTQGS information in owner's manuals, saying that such information "located in the owners' manual would assist owners who would like to purchase replacement tires at any of a number of aftermarket establishments."

The others uniformly opposed including UTQGS information in owners' manuals. VW stated that it has been voluntarily including UTQGS information in its owners' manuals. However, VW and AIAM agreed that that is not essential because the UTQGS information will be available anyway when consumers consider the purchase of replacement tires. AAMA stated that its members voluntarily provide UTQGS information in owners' manuals but, given the lack of consumer interest in

this information at the time of new vehicle purchase, AAMA does not believe that providing UTQGS information in owners' manuals is justified. AAMA argued that UTQGS information may be a factor in the purchase of replacement tires, therefore such information should be provided where replacement tires are offered for sale. AAMA noted that UTQGS information changes periodically, such as when the AA traction rating was established by the final rule of September 9, 1996 (61 FR 47437). Therefore, maintaining UTQGS information at retail tire outlets would provide up-to-date information to consumers rather than leaving them to rely on possibly obsolete information that was current at the time their owners' manuals were printed.

(3) *UTQGS Information for Individual Vehicles.* As stated above, NHTSA posed a series of questions in the NPRM, the 7th of which read:

What would be the costs and/or other problems for passenger car manufacturers to provide, in leaflet form or in the owner's manual, the UTQGS ratings for the specific tires provided on each individual vehicle?

All commenters opposed this suggestion, although to varying degrees. Mercedes stated that because the type of tires with which a vehicle is originally equipped will likely change during the life of the vehicle, information on the original tires would be irrelevant. In addition, owners may erroneously assume that the original tire type is the only type of tire appropriate for the vehicle. VW asserted that tires installed at the assembly plant can be different, depending on the driveline configuration, options, and tire availability. VW, AIAM and AAMA argued that such a requirement would be extremely burdensome and impose unnecessary costs without providing any benefit to consumers considering purchase of a new vehicle.

(4) *Providing UTQGS Information to NHTSA.* VW, AIAM, and AAMA opposed the proposal to retain the requirement that vehicle and tire manufacturers provide UTQGS information to NHTSA not less than 30 days prior to availability of the product to consumers. VW, AIAM, and AAMA argued that such information would merely be a verbatim restatement of the information in Figure 2, Part II of § 575.104 and therefore a needless burden on manufacturers. AAMA further stated that this requirement is becoming increasingly difficult to administer because of the staggering of new model introductions which

necessitates multiple submission of the same information.

(5) *Location of UTQGS Ratings.* AIAM opposed the agency's proposal to require that the UTQGS information in the owner's manual include a statement that the grades for the tires on the vehicle can be found on the tires' sidewalls. AIAM argued that that is not helpful to consumers since UTQGS information is meant to be helpful only in tire purchases.

(6) *Effective Date.* Mercedes urged the agency to specify an effective date of September 1, 1999 for the proposed amendments to permit modification of the owner's manual to correspond with a new model year.

(7) *Deletion of Obsolete Definitions.* Finally, AIAM and AAMA supported the proposed deletion of the definitions of *brake power unit*, *lightly loaded vehicle weight*, *maximum loaded vehicle weight*, and *maximum sustained vehicle speed* as being obsolete and *unneded*.

D. Agency Analysis and Decision

(1) *Delete Requirement for UTQGS Information at Point of Sale of New Vehicles.* NHTSA has decided to rescind the requirement that vehicle manufacturers provide UTQGS information to purchasers and prospective purchasers of motor vehicles. The agency is persuaded by the rationale in the AIAM petition and the comments of the others that purchasers and prospective purchasers of motor vehicles are not concerned with the UTQGS when shopping for or purchasing a new vehicle. AAMA and AIAM stated that consumers rarely ask for UTQGS information and do not indicate that this is a factor in their purchase decisions. Further, VW and AIAM pointed out that tires are not an option when purchasing a new vehicle because different vehicles may be equipped with different types of tires, depending on the vehicle model, options selected by the purchaser, and the availability of tires at the assembly plant. It is clear, therefore, that this requirement provides little, if any, benefit to consumers, while constituting an administrative burden on vehicle manufacturers. Accordingly, the rescission of this requirement will relieve that administrative burden on vehicle manufacturers.

(2) *Require UTQGS Information in Owners' Manuals.* NHTSA has decided to require the general UTQGS information set forth in Figure 2, Part II, of § 575.104 to be included in vehicle owners' manuals.

Although AIAM stated that many manufacturers already include UTQGS

Basis and Purpose of rule: Economic and Regulatory Analyses

Final Rule Amendments and Regulatory Text

- **Appear after the “Supplementary Information” section of the Preamble**
- **The “List of Subjects” for the rule and formal words of issuance always precede the amendments and regulatory text**
- **Numbered amendatory instructions specifically state how the CFR will be amended**

Final Rule Amendments and Regulatory Text

be minimal, therefore not warranting preparation of a full regulatory evaluation.

(2) *Regulatory Flexibility Act.* NHTSA has considered the effects of this rulemaking action under the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*). I hereby certify that this final rule will not have a significant impact on a substantial number of small entities.

The following is the agency's statement providing the factual basis for the certification (5 U.S.C. 605(b)). The amendments herein will primarily affect manufacturers of passenger cars and multipurpose passenger vehicles (MPV) that are equipped with passenger car tires. The Small Business Administration (SBA) regulation at 13 CFR part 121 defines a small business in part as a business entity "which operates primarily within the United States" (13 CFR 121.105(a)).

SBA's size standards are organized according to Standard Industrial Classification (SIC) codes. SIC code No. 3711, "Motor Vehicles and Passenger Car Bodies," has a small business size standard of 1,000 employees or fewer. SIC code No. 3714, "Motor Vehicle Parts and Accessories," has a small business size standard of 750 or fewer employees.

For manufacturers of passenger cars and MPVs, NHTSA estimates that there are at most 5 small manufacturers of passenger cars in the U.S. Each such manufacturer serves a niche market, often specializing in replicas or "classic" cars. Production for each such manufacturer is fewer than 100 cars per year. Thus, there are at most 500 such cars manufactured per year by U.S. small businesses.

By contrast, NHTSA estimates that there are 9 large manufacturers of passenger cars and light trucks and vans (LTV) in the U.S. Total U.S. manufacturing production per year is approximately 15 to 15.5 million passenger cars and LTVs. Thus, NHTSA does not believe that small businesses manufacture even 0.1 percent of the total U.S. passenger car and LTV production per year.

In view of the above discussion under E(1), NHTSA believes that small businesses, small organizations, and small governmental units will be affected by the proposed amendments only to the extent that there may be a very slight, minimal decrease in the cost of new passenger cars. Thus, the agency has not prepared a preliminary regulatory flexibility analysis.

(3) *Executive Order 12612, Federalism.* NHTSA has analyzed this rulemaking action in accordance with the principles and criteria of E. O. 12612 and has determined that this rule does

not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

(4) *National Environmental Policy Act.* NHTSA has analyzed this rulemaking action for the purposes of the National Environmental Policy Act and has determined that implementation of this rulemaking action will not have any significant impact on the quality of the human environment.

(5) *Paperwork Reduction Act.* The provisions of this final rule requiring manufacturers to provide information in owners' manuals explaining the UTQGS tire quality grades for the benefit of consumers are considered to be third-party information collection requirements as defined by the Office of Management and Budget (OMB) in 5 CFR part 1320. The information collection requirements for 49 CFR part 575 have been submitted to and approved by OMB pursuant to the provisions of the Paperwork Reduction Act, 44 U.S.C. 3501, *et seq.* This collection of information authority has been assigned control numbers 2127-0049 for part 575, excluding the UTQGS; and 2127-0519, *Uniform Tire Quality Grading Standards, 49 CFR part 575.104*, and has been approved for use through September 30, 2001.

(6) *Civil Justice Reform.* The amendments in this final rule will have no retroactive effect. Under 49 U.S.C. 30103(b), whenever a Federal motor vehicle safety standard is in effect, a state or political subdivision of a state may prescribe or continue in effect a standard applicable to the same aspect of performance of a motor vehicle only if the standard is identical to the Federal standard. However, the United States government, a state or political subdivision of a state may prescribe a standard for a motor vehicle or motor vehicle equipment obtained for its own use that imposes a higher performance requirement than that required by the Federal standard. 49 U.S.C. 30161 sets forth a procedure for judicial review of final rules establishing, amending or revoking Federal motor vehicle safety standards. A petition for reconsideration or other administrative proceedings is not required before parties may file suit in court.

(7) *Unfunded Mandates Reform Act.* The Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4) requires 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 annually. This final rule does not meet the definition of a Federal mandate because this rule involves very little, if any, additional costs to vehicle or tire manufacturers and in no case will annual expenditures exceed the \$100 million threshold.

List of Subjects in 49 CFR Part 575

Consumer protection, Labeling, Motor vehicle safety, Motor vehicles, Rubber and rubber products, Tires.

In consideration of the foregoing, 49 CFR part 575 is amended as follows:

PART 575—CONSUMER INFORMATION REGULATIONS

1. The authority citation for part 575 continues to read as follows:

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

§ 575.2 [Amended]

2. Section 575.2(c) is amended by removing the definitions of *Brake power unit*, *Lightly loaded vehicle weight*, *Maximum loaded vehicle weight*, and *Maximum sustained vehicle speed*.

3. Section 575.6 is amended by revising paragraphs (a)(1), (d)(1)(i), (d)(1)(ii), and (d)(2), to read as follows:

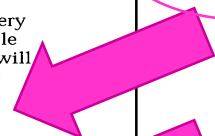
§ 575.6 Requirements.

(a)(1) At the time a motor vehicle is delivered to the first purchaser for purposes other than resale, the manufacturer of that vehicle shall provide the Uniform Tire Quality Grading information required by § 575.104(d)(1)(iii) in the owner's manual of each vehicle it produces. The vehicle manufacturer shall also provide to the purchaser, in writing and in the English language, the information specified in § 575.103 of this part that is applicable to that vehicle. The information provided with a vehicle may contain more than one table, but the document must either:

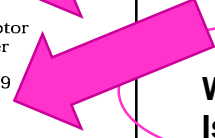
- (i) Clearly and unconditionally indicate which of the tables apply to the vehicle with which it is provided, or
- (ii) Contain a statement on its cover referring the reader to the vehicle certification label for specific information concerning which of the tables apply to that vehicle. If the manufacturer chooses option in paragraph (a)(1)(ii) of this section, the vehicle certification label shall include such specific information.

Example 1. Manufacturer X furnishes a document containing several tables that apply to various groups of vehicles that it produces. The document contains the following notation on its front page: "The information that applies to this vehicle is

List of Subjects



Words of Issuance



Amendatory Instructions



Regulatory Text

