

MAY 21 2003

Mr. Richard C. Kroger
Corporate Counsel
Stewart & Stevenson Services, Inc.
P.O. Box 330
Sealy, TX 77474

Dear Mr. Kroger:

This is in reply to your letter of April 15, 2003, addressed to David "Comen" (Coleman), which we received on May 5. You seek clarification as to whether you are subject to the TREAD Act's early warning reporting (EWR) requirements set out in Subpart C of 49 CFR Part 579.

Your company manufactures trucks exclusively for the United States Army. You asserted that feedback reports you receive from the Army on your trucks are usually "purposely vague and prevent any meaningful review or truck evaluation." In the event that negative information might be received regarding a truck's performance, you pointed out that furnishing us with this information could result in an enemy gaining knowledge that it could put to tactical use. You argued that "it would seem that the intent of the Act (protecting the consumer public at large) is inapplicable to our situation."

The National Truck Equipment Association (NTEA) recently observed that under 49 CFR 571.7(c), vehicles manufactured for, and sold directly to, the military need not comply with the Federal motor vehicle safety standards. NTEA asked whether such vehicles should be counted as part of a manufacturer's production and included in reporting of warranty claims, consumer complaints, field reports, etc. We replied on May 14, 2003, that:

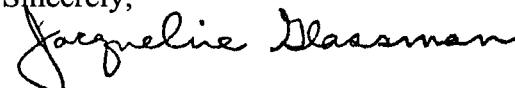
The exclusion of Section 571.7(c) is limited to compliance with the Federal motor vehicle safety standards (FMVSS) and does not extend to [the defect program or] other NHTSA regulations applicable to motor vehicles. We would expect manufacturers of vehicles that they would otherwise be required to certify, such as staff (passenger) cars and some trucks, to submit reports under the EWR regulations in the same manner as manufacturers of non-military motor vehicles certified by their manufacturers.

By "some trucks," we mean trucks that are the counterparts of trucks that a manufacturer produces for non-military use. Thus, reports would not be required under the EWR rules for military personnel carriers. On the other hand, reports would be required for pickup trucks, vans, and sedans that have civilian counterparts.

You have informed us that your company does not produce trucks for civilian applications. In other words, there are no civilian counterparts. Based on this information, we do not consider your company subject to the EWR requirements.

If you have any questions, you may phone Taylor Vinson of this Office (202-366-5263).

Sincerely,

A handwritten signature in cursive script that reads "Jacqueline Glassman".

Jacqueline Glassman
Chief Counsel