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April 25, 2005

The Honorable Ted Stevens
Chairman
The Honorable Daniel K. Inouye
Ranking Minority Member
Committee on Commerce, Science, and Transportation
United States Senate

The Honorable Joe Barton
Chairman
The Honorable John D. Dingell
Ranking Minority Member
Committee on Energy and Commerce
House of Representatives

Subject: *Department of Transportation, National Highway Traffic Safety Administration: Federal Motor Vehicle Safety Standards; Tire Pressure Monitoring Systems; Controls and Displays*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Transportation, National Highway Traffic Safety Administration (NHTSA), entitled "Federal Motor Vehicle Safety Standards; Tire Pressure Monitoring Systems; Controls and Displays" (RIN: 2127-AJ23). We received the rule on April 11, 2005. It was published in the Federal Register as a final rule on April 8, 2005. 70 Fed. Reg. 18136.

The final rule establishes a new federal motor vehicle safety standard requiring installation of a tire pressure monitoring system capable of detecting when one or more of a vehicle's tires are significantly underinflated.

The final rule has an announced effective date of April 8, 2005. The Congressional Review Act requires a 60-day delay in the effective date of a major rule from the date of publication in the Federal Register or receipt of the rule by Congress, whichever is later. 5 U.S.C. 801(a)(3)(A). The rule was made effective upon the date of publication in the Federal Register. Therefore, the rule does not have the required 60-day delay in its effective date. We do note that compliance with the rule is not required until October 5, 2005.

Enclosed is our assessment of the NHTSA's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that, with the exception of the effective date, NHTSA complied with the applicable requirement.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO evaluation work relating to the subject matter of the rule is Patricia Dalton, Managing Director, Physical Infrastructure. Ms. Dalton can be reached at (202) 512-2834.

signed

Kathleen E. Wannisky
Managing Associate General Counsel

Enclosure

cc: Eric Stas
Attorney-Advisor, National Highway
Traffic Safety Administration
Department of Transportation

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF TRANSPORTATION,
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
ENTITLED
"FEDERAL MOTOR VEHICLE SAFETY STANDARDS; TIRE PRESSURE
MONITORING SYSTEMS; CONTROLS AND DISPLAYS"
(RIN: 2127-AJ23)

(i) Cost-benefit analysis

NHTSA estimates that compliance with the final rule will cost \$823 to \$1,188 million per year. NHTSA also calculated the net benefits-costs (i.e., benefits, including fatalities and injuries, valued in dollars minus costs) using \$3.5 million and \$5.5 million as the statistical value of a life. The mean value for net benefits-costs ranges from a net cost of \$597 million to a net benefit of \$655 million, depending upon the specific technology chosen for compliance.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

NHTSA has certified that the final rule will not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

The final rule contains a mandate on the private sector, as defined in title II, of more than \$112 million in any one year. NHTSA has prepared a statement that discusses the options it considered in promulgating the final rule to arrive at the least costly, most cost-effective, or least burdensome alternative. However, NHTSA notes that one of the options was struck down by the Second Circuit in Public Citizen, Inc. v. Mineta, 340 F. 3d 39 (2d Cir. 2003).

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

The final rule was issued using the notice and comment procedures found at 5 U.S.C. 553. On September 16, 2004, NHTSA published a Notice of Proposed Rulemaking in the Federal Register. 69 Fed. Reg. 55896. NHTSA received 60 comments in response to the notice, and the comments are discussed in the preamble to the final rule.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The final rule contains an information collection that is subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act. OMB has approved the collection and assigned Control No. 2127-0631.

Statutory authorization for the rule

The final rule is promulgated pursuant to the authority contained in the Transportation Recall Enhancement, Accountability, and Documentation Act (Pub. L. 106-414, 2000).

Executive Order No. 12866

The final rule was reviewed by OMB and found to be an “economically significant” regulatory action under the order.

Executive Order No. 13132 (Federalism)

NHTSA has determined that the final rule does not have sufficient federalism implications to warrant the preparation of a federalism impact statement.