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Office of the General Counsel

B-282191

March 17, 1999

The Honorable John McCain  
Chairman  
The Honorable Ernest F. Hollings  
Ranking Minority Member  
Committee on Commerce, Science, and Transportation  
United States Senate

The Honorable Bud Shuster  
Chairman  
The Honorable James L. Oberstar  
Ranking Minority Member  
Committee on Transportation and Infrastructure  
House of Representatives

Subject: Department of Transportation, National Highway Traffic Safety  
Administration: Federal Motor Vehicle Safety Standards; Child Restraint  
Systems; Child Restraint Anchorage Systems

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; Child Restraint Systems; Child Restraint Anchorage Systems" (RIN: 2127-AG50). We received the rule on March 4, 1999. It was published in the Federal Register as a final rule on March 5, 1999. 64 Fed. Reg. 10786.

The final rule establishes a new federal standard that requires motor vehicle manufacturers to provide motorists with a new way of installing child restraints. Vehicles will be equipped with child restraint anchorage systems that are standardized and independent of the vehicle's seat belts.

Enclosed is our assessment of 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 NHTSA complied with the applicable requirements.

If you have any questions about this report, please contact James Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO evaluation work relating to the Department of Transportation, National Highway Traffic Safety Administration, is John Anderson, Director, Transportation Issues. Mr. Anderson can be reached at (202) 512-2834.

Robert P. Murphy  
General Counsel

Enclosure

cc: Ricardo Martinez, M.D.  
Administrator, 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; CHILD RESTRAINT  
SYSTEMS; CHILD RESTRAINT ANCHORAGE SYSTEMS"  
(RIN: 2127-AG50)

(i) Cost-benefit analysis

NHTSA has prepared a final economic assessment of the costs and benefits of the final rule. The estimated average total cost of the rule is \$152 million annually.

The cost of the rule for vehicles is estimated to be \$85 million annually with the costs ranging from \$2.82 to \$6.62 per vehicle. The annual cost of compliance to child restraint manufacturers is estimated to be \$67 million or an additional average amount of \$17.19 to produce a marketable and compliant child restraint.

The benefits of the rule are that an estimated 36 to 50 lives will be saved per year and 1,231 to 2,929 injuries will be prevented per year. Based on the average annual cost of \$152 million, the cost per equivalent life saved for the rule is estimated to be \$2.1 to \$3.7 million.

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

NHTSA prepared a Final Regulatory Flexibility Analysis which is in the preamble to the final rule. The analysis contains the information required by the act, including the reasons for the regulatory action, the legal basis, a description and estimate of the small entities affected, and alternatives considered.

NHTSA has determined that there are no acceptable alternatives to the final rule which will accomplish its objectives and reduce the burden on small entities. The small entities affected by the rule would be four or five of the ten child restraint manufacturers.

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

NHTSA has determined that the final rule may impose a federal mandate resulting in expenditures of \$100 million or more for the private sector in any one year.

Therefore, in compliance with section 202 of the act, NHTSA prepared a written statement, including a cost-benefit analysis, assessing the impact of the rule.

Section 205 of the act requires agencies to identify and consider a reasonable number of regulatory alternatives and to adopt the least costly, most effective, or least burdensome alternative that achieves the objectives of the rule. The preamble discusses the alternatives considered and why NHTSA believes that the alternative selected is the least costly and least burdensome consistent with the objectives of the rule.

(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 contained at 5 U.S.C. § 553. On February 20, 1997, NHTSA issued a notice of proposed rulemaking, 62 Fed. Reg. 7858, and received over 70 comments in response to the notice. In the preamble to the final rule, NHTSA discusses the comments received and the actions it took in response.

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

The final rule contains an information collection which is subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act.

The information collection is the phase-in production reporting requirement for manufacturers to submit concerning the number of vehicles that meet the user-ready tether anchorage and child restraint anchorage system requirements of Standard 225. The first will be due within 60 days after the end of the production year ending August 31, 2000.

NHTSA, in the preamble to the final rule, states that it will be submitting the collection to OMB for approval in the near future.

Statutory authorization for the rule

The final rule was issued under the authority of 49 U.S.C. §§ 322, 30111, 30115, 30166, and 30177.

Executive Order No. 12866

The final rule was determined to be an "economically significant" regulatory action under the order and was reviewed and approved by the Office of Management and Budget as complying with the requirements of the order.