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United States General Accounting Office  
Washington, DC 20548

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B-290641

June 19, 2002

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

The Honorable W.J. "Billy" Tauzin  
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 (DOT), National Highway Traffic Safety Administration, entitled "Federal Motor Vehicle Safety Standards; Tire Pressure Monitoring Systems; Controls and Displays" (RIN: 2127-AI33). We received the rule on June 3, 2002. It was published in the Federal Register as a final rule on June 5, 2002. 67 Fed. Reg. 38704.

The final rule establishes a new Federal Motor Vehicle Safety Standard that requires the installation of tire pressure monitoring systems that warn the driver when a tire is significantly under-inflated.

Enclosed is our assessment of the DOT'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 the DOT complied with the applicable requirements.

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 John Anderson,

Managing Director, Physical Infrastructure. Mr. Anderson can be reached at (202) 512-2834.

signed

Kathleen E. Wannisky  
Managing Associate General Counsel

Enclosure

cc: Dion Casey  
Attorney-Advisor  
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-AI33)

(i) Cost-benefit analysis

DOT conducted a cost-benefit analysis of the final rule and the two compliance options permitted. Under the four tires, 25 percent under-inflation option, the cost of the rule would be \$771 million per year. Under the one tire, 30 percent under-inflation option, the cost would be \$533 million per year. These figures are based on an annual production of 16 million vehicles.

DOT estimates that the total quantified safety benefits will be 124 fatalities prevented and 8,722 injuries prevented or reduced in severity each year, if all light vehicles meet the four-tire, 25 percent compliance option. Also, if all light vehicles meet the one-tire, 30 percent compliance option, 79 fatalities will be prevented and 5,176 injuries prevented or reduced in severity each year.

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

The Administrator of the National Highway Traffic Safety Administration 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, as defined in title II, of more than \$100 million in any one year on the private sector. There is not an intergovernmental mandate. DOT, in the preamble to the final rule, discusses the selection of the alternatives for inclusion in the final 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 found at 5 U.S.C. 553. On July 26, 2001, a Notice of Proposed Rulemaking was published in the Federal Register. 66 Fed. Reg. 38982. DOT received comments from tire, vehicle and TPMS manufacturers, consumer advocacy groups, and the general public. These 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. DOT has submitted the required information to OMB for review.

DOT estimates that the 21 manufacturers will incur a total annual burden of 42 hours. Since the manufacturers already collect the required data about annual production, the annual cost burden will be zero.

Statutory authorization for the rule

The final rule is promulgated under the authority contained in section 13 of the Transportation Recall Enhancement, Accountability, and Documentation Act, Public Law 106-414, November 1, 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)

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