

the link between Kissimmee and Maitland. This arterial will provide an alternative to I-4 traffic through Orlando, and will also alleviate traffic congestion on the existing local connecting streets of Lee Road, Carder Road, US 441, All American Boulevard, and Edgewater Drive that now must carry continuing northbound traffic to Forest City Road.

Alternatives under consideration are: (1) "No Build", or no improvements within the corridor beyond what is now committed; (2) Improvement of existing roadway facilities including transportation management system (TSM) within the corridor and; (3) New alignment: six-laning and extension of John Young Parkway from SR 50 to Forest City Road.

In the EIS, the FHWA and local agencies will evaluate all environmental impacts of the project, including socio-economic impact, cultural impact, and public recreational facility impact to the roadway corridor and surrounding communities, natural impacts to the wildlife and vegetation, and physical impacts to land use aesthetics, noise levels, and air and water quality of the area. Impacts to floodplain and Outstanding Florida Waters, wetlands and endangered or threatened species, wildlife corridors and critical habitat will be evaluated. The presence of contaminated properties or potential contamination will be evaluated. Impacts will be evaluated for both short term and long term duration and mitigation of any impacts will be studied. Storm water volume and quality management will be a major design consideration. Meeting the local transportation needs, both personal and mass transit, and public service needs of the area communities are goals of the study.

Letters with description of the proposed project soliciting comments will be sent to appropriate Federal, State, and local agencies, as well as private groups and citizens that have expressed interest in this proposal. Public notice will be issued for a series of public meetings and hearings to be held in Orange County and the City of Orlando between April, 1998 and March, 1999, where the Draft EIS will be available to the agencies and public for review and discussion. A formal scoping meeting is planned at the project site during 1998. Comments on the proposal from all interested parties are solicited and should be directed to the FHWA contact person listed above.

(Catalog of Federal Domestic Assistance Program Number 20.205, Highway Research, Planning and Construction. The regulations implementing Executive Order 12372

regarding intergovernmental consultation on Federal programs and activities apply to this program)

J.R. Skinner,

Division Administrator, Tallahassee.

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA-98-3812; Notice 1]

Bug Motors, Inc.; Receipt of Application for Temporary Exemption From Two Federal Motor Vehicle Safety Standards

Bug Motors, Inc., which has its principal place of operations in Long Beach, California, ("Bug") has applied for a temporary exemption of three years from two Federal motor vehicle safety standards as described below. The basis of the application is that compliance would cause substantial economic hardship to a manufacturer that has tried in good faith to comply with each of the standards.

This notice of receipt of an application is published in accordance with the requirements of 49 U.S.C. 30113(b)(2) and does not represent any judgment of the agency on the merits of the application.

In June 1997, California granted a year's license as a "Vehicle Remanufacturer" to Looking Glass Replicas of Long Beach, of which Kenneth Scheiler was the sole proprietor. Mr. Scheiler changed this business entity into "Bug Motors, Inc." in December 1997, a corporation of which he is the sole shareholder and president. Therefore, Bug has not manufactured any vehicles in the 12-month period preceding the filing of its Application, nor can it file financial information for the three fiscal years called for by the regulation. Upon incorporation, its assets were stated as \$224,600. Mr. Scheiler has been engaged in refurbishing used Volkswagen Beetles, and would now like to produce "new and improved replicas" of the car. Bug intends to buy certain vehicle components from Volkswagen-Mexico, import them into the United States, and assemble Volkswagen "Beetles" to be sold under the name "the Bug." Specifically, Bug will buy and import new chasses, axles, and bodies including interior components. The Bug will be equipped with a refurbished 1973 engine and "a rebuilt speedometer (converted from Kilometers to Miles). Under California law, the Bug will be

titled as a "1998 Remanufactured Vehicle," but is considered "used" rather than "new." NHTSA reviewed the intended *modus operandi* with the applicant's attorney and concurred with Bug's decision that, under these facts, the Bug should be treated under Federal law as a newly manufactured passenger car which is required to comply with all applicable Federal motor vehicle safety standards.

In addition to the conventional Beetle two-door sedan, Bug will offer two convertible models. One is a sedan modified to have an electric-powered fabric roof that opens along the roof rails. The other is a fully convertible car with a manually-operated top, the familiar Beetle convertible. Bug's Application includes a list of the applicable Federal motor vehicle safety standards, indicating the compliance status of the Bug with respect to each. Representation is made that the Bug complies (e.g., Standard No. 104) or complies with a minor exception which will be modified in production (e.g., addition of a brake warning light, Standard No. 105). However, the Bug will not comply with Standard No. 208 and Standard No. 214.

Specifically, under Standard No. 208, the Bug will be equipped with a three-point restraint system, but "the warning system, including audio and visual aids" will only "be available within one year after production commences, and most likely within 6 months." Bug says that it "has been working with vendors to adapt a Dual Inflatable Restraint System to the Bug," but it anticipates that an entire three-year period will be required for the system to be developed and implemented.

With respect to Standard No. 214, Bug states that it "has been attempting to identify vendors and parts for the installation of door beams for the Bug" and that it "is uncertain as to what, if any, engineering will have to be performed to document compliance." It hopes to achieve compliance within a three-year period.

In support of its hardship argument, Bug informs NHTSA that it would be put out of business if the Application is not granted, as its subsidiary business of refurbishing Beetles is not sufficient to carry it alone. In addition, its national distributor would lose its entire investment in start-up costs, estimated to exceed \$100,000.

An exemption would be in the public interest as it will allow Bug to increase its workforce from seven to 35 people within a year, drawn from "a significant number of minorities, including Hispanics, Asians, and African-Americans." The availability of the Bug

also ought to create jobs and sales for "suppliers and sales people at auto dealerships. In addition, "sale of these vehicles [ought to] generate retail sales taxes of approximately \$1,162.50 per unit," and these revenues would be lost with the denial of the Application. An exemption would be consistent with the objectives of 49 U.S.C. Chapter 301 as it would make available to the public a nostalgic vehicle that complies with all but two Federal motor vehicle safety standards.

Interested persons are invited to submit comments on the application described above. Comments should refer to the docket number and the notice number, and be submitted to: Central Docket Management Facility, room PL-401, 400 Seventh Street, SW, Washington, DC 20590. It is requested but not required that 10 copies be submitted.

All comments received before the close of business on the comment closing date indicated below will be considered, and will be available for examination in the docket (from 10 a.m. to 5 p.m.) at the above address both before and after that date. Comments may also be viewed on the internet at web site dms.dot.gov. To the extent possible, comments filed after the closing date will also be considered. Notice of final action on the application will be published in the **Federal Register** pursuant to the authority indicated below.

Comment closing date: June 11, 1998. (49 U.S.C. 30113; delegations of authority at 49 CFR 1.50. and 501.8)

Issued on May 6, 1998.

L. Robert Shelton,

Associate Administrator for Safety Performance Standards.

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA 98-3396; Notice 2]

Orion Bus Industries Inc.; Grant of Application for Temporary Exemption From Federal Motor Vehicle Safety Standard No. 121

This notice grants the application by Orion Bus Industries Inc. of Oriskany, New York, for a five-month exemption from Motor Vehicle Safety Standard No. 121 *Air Brake Systems*. The basis of the application was that compliance would cause substantial economic hardship to

a manufacturer that has tried in good faith to comply with the standard.

Notice of receipt of the application was published on February 3, 1998, and an opportunity afforded for comment (62 FR 5604).

On June 7, 1995, Western Star Truck Holdings Ltd., Canada, purchased some of the assets of Bus Industries of America. Through its wholly-owned subsidiary, Orion Bus Industries Ltd. of Ontario, a manufacturer of city transit buses, Western Star established Orion Bus Industries Inc. ("Orion Bus") as a wholly-owned subsidiary of Orion Bus Industries Ltd. Since 1995, "Orion Bus has been striving to re-organize the operation, update and replace obsolete facilities and turn an insolvent organization into a first class bus manufacturing facility employing over 1,000 employees." Orion Bus manufactured 699 buses in the 12-month period preceding the filing of its application.

Paragraph S5.1.6.1(a) of Standard No. 121 requires each "single unit vehicle," including transit buses, manufactured on and after March 1, 1998, to be equipped with an antilock brake system. The company will be able to comply as of that date with buses entering production. However, it sought relief from compliance for certain Transit VI buses whose assembly will not be completed until after March 1, 1998. As it explained, these buses "are part of bus contracts which have been delayed due to the insolvency of a major part supplier." This has disrupted Orion Bus's schedule for over 27 weeks "while a new vendor could be found, new tooling produced and the new supply of parts tested and certified to meet current in-use Safety Standards." As the buses were not designed to be equipped with antilock braking systems, their fixed-cost contracts have no provisions for the purchaser bearing the cost of modifications, and Orion Bus would have to absorb the costs. Orion Bus increased its production schedule to minimize the number of buses needing an exemption. As of December 1, 1997, however, it appeared to Orion Bus that 148 Transit VI buses would be produced on or after March 1, 1998, and not later than August 1, 1998.

Orion Bus had a net loss of \$650,000 during its limited operations in 1995, a net income of \$1,223,000 in 1996, and a net income of \$4,696,000 in 1997. Further costs would be incurred were Orion Bus required to conform. At a minimum, the cost to convert stock axles sets and brake assemblies to become anti-lock compliant is estimated to be \$636,740. Were Orion Bus to complete its orders with conforming

buses, the purchasers might demand that the buses for which they had already taken delivery be retrofitted to conform. This contingent liability is estimated to be \$7,000,000. Orion Bus believes that a mixed fleet would have a detrimental effect upon its purchasers "by forcing them to carry different replacement parts, implementing different maintenance procedures and having to train maintenance personnel and drivers on how to handle the different vehicles." Because drivers sometimes change buses during their shifts, in an emergency a driver may not react appropriately as the situation demands. Thus, it is in the public interest to grant the application.

Orion Bus submitted data indicating that a temporary exemption "will have little impact on the ability of a bus to come safely to a stop within the stopping distances specified in Table II of FMVSS 121." These data "indicate that the test vehicle [Orion VI Transit bus] met all stopping distance guidelines and stayed within a 12-foot lane width (without wheel lock)."

One comment was received in response to the notice. Gillig Corporation, a manufacturer of "heavy duty buses, primarily for transit operation," opposed the application. It believes that "more than enough notice [was provided] to plan for a business like change over of an important safety standard improvement," commenting that the rest of the industry also had "schedule changes and increased vehicle costs [which] we had to incorporate into our business plans." Gillig further commented that "rationalizing the impact by citing best effort, dry road stopping is not the intent of anti-lock systems. Anti-lock is designed to perform in adverse conditions and panic stops. Fleet mixing is destined to occur." Finally, Gillig said that it was "unaware of precedent that Federal Motor Vehicle Safety Standards can be postponed due to a manufacturer's economic difficulties."

In fact, there is a factual precedent for the application by Orion Bus, and it also involved compliance with Standard No. 121. Last year, the agency exempted one truck tractor model manufactured by Capacity of Texas, Inc., from compliance with the antilock brake requirements of Standard No. 121 for a period of three months (62 FR 10110). Capacity's contract with the U.S. Postal Service called for it to deliver 210 vehicles between September 1996 and June 1997. In applying for relief, it estimated that it could not complete the final 60 truck tractors by March 1, 1997 without an uneconomic increase in