

April 5, 1993. To date, an estimated 1680 man-hours and approximately \$50,400 have been spent on this project.

At that time, Panoz used a 5.0L Ford Mustang GT engine and five speed manual transmission in its car. Because "the 1995 model year and associated emission components were revised by Ford," this caused

a delay in the implementation of the airbag system on the Roadster due to further research and development time requirements and expenditure of additional monies to evaluate the effects of these changes on the airbag adaptation program.

Shortly before filing its application for first renewal in 1995, Panoz learned that Ford was replacing the 5.0L engine and emission control system on the 1996 Mustang and other passenger cars with a modular 4.6L engine and associated emission components. The 1995 system did not meet 1996 On-Board Diagnostic emission control requirements, and Panoz was faced with using the 1996 engine and emission control system as a substitute. The majority of the money and man hours at that time had been spent on adapting an airbag system to the 5.0L engine car, and the applicant had to concentrate on adapting it to a 4.6L engine car. Panoz listed eight types of modifications and testing necessary for compliance that would cost it \$337,000 if compliance were required at the end of a one-year period. It asked for and received a two-year renewal of its exemption.

However, between 1995 and 1997, Panoz found integration of the 4.6L engine into its existing chassis more difficult than anticipated, primarily because the 4.6L was 10 inches wider than the engine it replaced. This required a total redesign of the chassis, requiring expenditure of "a significant amount of resources." Simultaneously, Panoz designed the vehicle to allow for the integration of the Ford Mustang driver-side and passenger-side airbag systems. Panoz described these steps in some detail and estimates that between May 1995 and August 1997 it spent 2200 man-hours and \$66,000 on these efforts. In the same time period, it spent \$47,000 in static and dynamic crash testing of a 4.6L car related to airbag system development. Panoz concluded by describing the additional modifications and testing required to adapt the Ford system to its car. These costs totaled \$358,000. In 1997, the company argued that a two-year renewal of its exemption would provide time to generate sufficient income (approximately \$15,000 a month through sales of vehicles and private funding) to fund the modifications and

testing. After August 1997, Panoz spent an additional 1779 man hours and \$87,375 in airbag development for the Roadster, a large portion of which was to adapt the 1997-98 Ford Mustang mechanical system. In September 1998, NHTSA issued its NPRM on advanced airbags which would have required Panoz to begin the phase-in of the new system as of September 1, 2002. Panoz decided that the mechanical airbag system it was developing could not comply with the proposed advanced system. It also lacked the resources to develop two systems simultaneously, so it turned its development efforts towards the advanced system, which will be in its new model, Esperante. In November 1999, NHTSA issued a Supplemental NPRM under which implementation of the advanced airbag rule would be delayed for small manufacturers until September 1, 2005 (subsequently adopted in the final rule of May 2000). This resulted in Panoz's resumption of efforts to adapt the Ford Mustang airbag system to its Roadster. However, with its 1999 models, Ford had replaced the mechanical airbag system with an electronic one, "which dictated that Panoz would have to conduct further crash testing in order to properly calibrate the [Restraint Control Module] for application on the AIV Roadster." Panoz intends to have the electronic system adapted by the end of the exemption it has requested. The foregoing is a summary of Panoz's compliance efforts which are set forth in detail in its application.

In sum, Panoz has been exempted from compliance with the airbag requirements for all passenger cars that it manufactured between August 1, 1993, and March 1, 2000, approximately 6½ years. These total 178 units.

At the time of its original petition, Panoz's cumulative net losses since incorporation in 1989 were \$1,265,176. It lost an additional \$249,478 in 1993, \$169,713 in 1994, \$721,282 in 1995, and \$1,349,241 in 1996. Its losses continued in 1997, 1998, and 1999, respectively \$3,253,111, \$4,264,689, and \$2,996,903. Thus, Panoz's losses for the years that the exemption was in effect, 1993-99, total \$13,004,417.

The applicant reiterated its original arguments that an exemption would be in the public interest and consistent with the objectives of traffic safety. Specifically, The Roadster is built in the United States and uses 100 percent U.S. components, bought from Ford and approximately 95 other companies ("at least 250 employees" of which "remain involved in the Panoz project"). Panoz provides employment for 47 full time and three part time employees. The

company now has 33 U.S. dealers. The Roadster is said to provide the public with a classic alternative to current production vehicles. It is the only vehicle that incorporates "molded aluminum body panels for the entire car," a process which continues to be evaluated by other manufacturers and which "results in the reduction of overall vehicle weight, improved fuel efficiency, shortened tooling lead times, and increased body strength." With the exception of S4.1.4 of Standard No. 208, the Roadster meets all other 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: Docket Management, Department of Transportation, 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 at the above address both before and after that date. 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: November 24, 2000.

**Authority:** (49 U.S.C. 30113; delegations of authority at 49 CFR 1.50. and 501.8).

Issued on October 19, 2000.

**Stephen R. Kratzke,**  
*Associate Administrator for Safety Performance Standards.*

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## DEPARTMENT OF TRANSPORTATION

### Research and Special Programs Administration

#### Office of Hazardous Materials Safety; Notice of Applications for Modification of Exemption

**AGENCY:** Research and Special Programs Administration, DOT.

**ACTION:** List of applications for modification of exemptions.

**SUMMARY:** In accordance with the procedures governing the application for, and the processing of, exemptions from the Department of Transportation's Hazardous Materials Regulations (49 CFR part 107, subpart B), notice is hereby given that the Office of

Hazardous Materials Safety has received the applications described herein. This notice is abbreviated to expedite docketing and public notice. Because the sections affected, modes of transportation, and the nature of application have been shown in earlier **Federal Register** publications, they are not repeated here. Requests for modifications of exemptions (e.g. to provide for additional hazardous materials, packaging design changes, additional mode of transportation, etc.) are described in footnotes to the application number. Application numbers with the suffix "M" denote a modification request. These

applications have been separated from the new applications for exemptions to facilitate processing.

**DATES:** Comments must be received on or before November 9, 2000.

**ADDRESSES:** Records Center, Research and Special Programs Administration, U.S. Department of Transportation, Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comments is desired, include a self-addressed stamped postcard showing the exemption number.

**FOR FURTHER INFORMATION CONTACT:**

Copies of the applications are available for inspection in the Records Center, Nassif Building, 400 7th Street SW, Washington, DC or at <http://dms.dot.gov>.

This notice of receipt of applications for modification of exemptions is published in accordance with part 107 of the Federal hazardous materials transportation law (49 U.S.C. 5117(b); 49 CFR 1.53(b)).

Issued in Washington, DC, on October 19, 2000.

**J. Suzanne Hedgepeth,**

*Director, Office of Hazardous Materials Exemptions and Approvals.*

Application No.	Docket No.	Application	Modification of exemption
8698-M .....		Taylor-Wharton Gas Equipment (Div of Harsco Corp.) Theodore, AL (See Footnote 1) .....	8698
11044-M .....		ChemiTech, Ltd., Des Moines, IA (See Footnote 2) .....	11044
11202-M .....		Newport News Shipbuilding & Dry Dock Co., Newport News, VA (See Footnote 3) .....	11202
11379-M .....		TRW Automotive Occupant Restraint Systems, Washington, MI (See Footnote 4) .....	11379
11864-M .....	RSPA-1997-2453	International Paper, Moss Point, MS (See Footnote 5) .....	11864
12334-M .....	RSPA-1999-6177	Autoclave Engineers, Erie, PA (See Footnote 6) .....	12334
12442-M .....	RSPA-2000-7208	Cryogenic Vessel Alternatives, La Porte, TX (See Footnote 7) .....	12442

<sup>1</sup> To modify the exemption concerning the pressure relief value, specified retest pressure and OWTT recordkeeping requirements of non-DOT specification portable tanks transporting certain Division 2.2 materials.

<sup>2</sup> To modify the exemption to authorize the use of additional cylinders without exceeding cylinder service pressure for the transportation of a reformulated organophosphate product.

<sup>3</sup> To modify the exemption to allow for the transportation of Division 6.1 and additional Class 8, Class 9 and Division 5.1 materials to cross a public road, from one part of a plant to another.

<sup>4</sup> To modify the exemption to authorize a design change of the pressure vessel to increase the maximum fill pressure to 7,500 psi charged with non-toxic, non-liquefied gases, or mixtures thereof.

<sup>5</sup> To modify the exemption to authorize party status and to include the offering of tank cars containing a residue of sulfuric acid without removing the frangible disc in the pressure relief device during inspection.

<sup>6</sup> To modify the exemption to authorize the transportation of Division 2.2, Class 3, Division 6.1 and additional Division 2.1 materials in non-DOT specification cylinders.

<sup>7</sup> To modify the exemption to waive the impact test requirements for stainless steel portable tanks for materials used in a lading warmer than -425 degrees.

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## DEPARTMENT OF TRANSPORTATION

### Research and Special Programs Administration

#### Office of Hazardous Materials Safety; Notice of Applications for Exemptions

**AGENCY:** Research and Special Programs Administration, DOT.

**ACTION:** List of applicants for exemptions.

**SUMMARY:** In accordance with the procedures governing the application for, and the processing of, exemptions from the Department of Transportation's Hazardous Materials Regulations (49 CFR part 107, subpart B), notice is hereby given that the Office of

Hazardous Materials Safety has received the applications described herein. Each mode of transportation for which a particular exemption is requested is indicated by a number in the "Nature of Application" portion of the table below as follows: 1—Motor vehicle, 2—Rail freight, 3—Cargo vessel, 4—Cargo aircraft only, 5—Passenger-carrying aircraft.

**DATES:** Comments must be received on or before November 24, 2000.

**ADDRESSES:** Records Center, Research and Special Programs Administration, U.S. Department of Transportation, Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comments is desired, include a self-addressed stamped postcard showing the exemption application number.

**FOR FURTHER INFORMATION CONTACT:**

Copies of the applications (See Docket Number) are available for inspection at the New Docket Management Facility, PL-401, at the U.S. Department of Transportation, Nassif Building, 400 7th Street, SW., Washington, DC 20590 or at <http://dms.dot.gov>.

This notice of receipt of applications for new exemptions is published in accordance with Part 107 of the Federal hazardous materials transportation law (49 U.S.C. 5117(b); 49 CFR 1.53(b)).

Issued in Washington, DC, on October 19, 2000.

**J. Suzanne Hedgepeth,**

*Director, Office of Hazardous Materials Exemptions and Approvals.*