

As to advanced air bags, and as indicated above, Saleen has hired an engineering project manager responsible for air bag development, has been working with engineers at Takata, Autoliv, and Bosch in researching all of the program requirements as well as developing a test plan and component designs for development of a system compliant with the advanced air bag requirement. Saleen is also working with Kettering University in Flint Michigan for additional research and testing.

We have concluded that Saleen has made good faith efforts to meet the advanced air bag requirements. We note that Saleen's situation in needing additional time to meet the advanced air bag requirements, which apply to low volume manufacturers beginning September 1, 2006, is not unlike that of several other low volume manufacturers.

If the petition were denied, the sale of S7 automobiles would cease immediately. In evaluating Saleen's current situation, the agency finds that to require immediate compliance with Standard No. 208 would cause the petitioner substantial economic hardship. While Saleen also alters motor vehicles, the S7 is the only model that Saleen manufactures.

Traditionally, the agency has found that the public interest is served in affording continued employment to a small volume manufacturer's work force and to those of its U.S.-sourced component suppliers. The agency has also found that the public interest is served by affording the consumers a wider variety of motor vehicles. In this instance, denial of the petition would put in jeopardy the jobs of 150 full time employees at Saleen dedicated to the design, manufacture, and certification of the S7. Denial of the petition could also affect the payrolls of U.S.-sourced component suppliers.

The vehicle in question will be manufactured in extremely limited quantities. Saleen anticipates selling no more than 25 of the vehicles per year in the United States. The current Manufacturer's Suggested Retail Price is \$555,000. The vehicles are also driven on an extremely limited basis. Saleen stated that the vehicles generally do not accrue more than 2,000 miles per year. In light of these factors, the agency anticipates that the S7 vehicles will have a negligible impact on the overall safety of U.S. highways. The agency also notes that Saleen has indicated that the vehicle subject to this petition complies with all other applicable Federal motor vehicle safety standards.

We are granting Saleen a three-year exemption from the advanced air bag requirements, beginning September 1, 2006. As indicated above, we are also granting that company an extension of the exemption from the "basic" air bag requirements for the first of the three years. Saleen's ability to utilize the final two years of the exemption from the advanced air bag requirements will be dependent on whether it implements an air bag system that enables the S7 to at least meet FMVSS No. 208's "basic" air bag requirements.

Given the discussion presented above, we conclude that Saleen has made sufficient good faith efforts to comply with FMVSS No. 208 to support these exemptions for the prescribed time periods, that requiring immediate compliance would cause substantial economic hardship, and that the exemptions are in the public interest and consistent with the Safety Act. We note that while this document includes some discussion of those good faith efforts and economic hardship, NHTSA has also considered additional information submitted by Saleen which has been determined to be confidential.

We should caution that manufacturers that receive temporary exemptions should not assume that the agency will necessarily grant extensions. On this basic issue, we note that Saleen cited in its petition a particular sales rate that it needs to sustain in order to continue to fund the development of advanced air bags for implementation by September 1, 2009. See p. 2 of Saleen's petition. The petitioner should not assume that if it is unable to maintain a particular sales rate or for other reasons does not continue to fund the development of advanced air bags, that the agency will then grant an extension of the exemption for advanced air bags provided in this document.

As to the specific paragraphs of FMVSS No. 208 that will be covered by the exemptions, we note that the original exemption for Saleen cited S4.1.5.3 of 49 CFR 571.208. On review, we believe that it would be clearer to cite both S4.1.5.1(a)(1) and S4.1.5.3. The former paragraph requires passenger cars, at each front outboard seating position, to meet specified frontal crash protection requirements "by means that require no action by vehicle occupants." S4.1.5.3 then requires that passenger cars meet that requirement by means of inflatable restraint systems. Since the intent of the exemption is to exempt the S7 from automatic crash protection requirements, we believe that S4.1.5.1(a)(1) should be cited. We note that the S7 is still subject, among other things, to S4.1.5.1(a)(3), which requires

it to meet specified performance requirements in a belted crash test. The relevant paragraph for the advanced air bag requirements is S14.2.

We also note that prospective purchasers will be notified that the vehicle is exempted from the air bag requirements of Standard No. 208. Under § 555.9(b), a manufacturer of an exempted passenger car must affix securely to the windshield or side window of each exempted vehicle a label containing a statement that the vehicle conforms to all applicable Federal motor vehicle safety standards in effect on the date of manufacture "except for Standards Nos. [listing the standards by number and title for which an exemption has been granted] exempted pursuant to NHTSA Exemption No. _____." This label notifies prospective purchasers about the exemption and its subject. Under § 555.9(c), this information must also be included on the vehicle's certification label.

In accordance with 49 U.S.C. 30113(b)(3)(B)(i), Saleen S7 is granted NHTSA Temporary Exemption No. EX 06-7, from S4.1.5.1(a)(1) and S4.1.5.3. This exemption is effective September 1, 2006 to August 31, 2007. Saleen S7 is granted NHTSA Temporary Exemption No. EX 06-8, from S14.2 of § 571.208. This exemption is effective September 1, 2006 to August 31, 2009. (49 U.S.C. 30113; delegations of authority at 49 CFR 1.50. and 501.8)

Issued on: August 31, 2006.

Nicole R. Nason,

Administrator.

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DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2006-24058; Notice 1]

Pipeline Safety: Petition for Waiver; TransCanada Pipelines Limited

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), Department of Transportation (DOT).

ACTION: Notice; petition for waiver.

SUMMARY: TransCanada Pipelines Limited, operator of the Portland Natural Gas Transmission System (PNGTS), requests a waiver of compliance from PHMSA regulations for selected gas transmission pipeline segments in Windham, Maine. These

regulations require pipeline operators to confirm or revise the maximum allowable operating pressure (MAOP) of a pipeline after a class location change.

DATES: Persons interested in submitting written comments on the waiver proposed in this notice must do so by October 10, 2006. Comments filed late will be considered as practicable.

ADDRESSES: You may submit written comments by mailing or delivering an original and two copies to the Dockets Facility, U.S. Department of Transportation, Room PL-401, 400 Seventh Street, SW., Washington, DC 20590-0001. The dockets facility is open from 10 a.m. to 5 p.m., Monday through Friday, except on Federal holidays when the facility is closed. Alternatively, you may submit written comments to the docket electronically at the following Web address: <http://dms.dot.gov>.

All written comments should identify the docket and notice number stated in the heading of this notice. Anyone who wants confirmation of mailed comments must include a self-addressed stamped postcard. To file written comments electronically, after logging on to <http://dms.dot.gov>, click on "Comment/Submissions." You can also read comments and other material in the docket at <http://dms.dot.gov>. General information about our pipeline safety program is available at <http://phmsa.dot.gov>.

Anyone is able to search the electronic form of all comments received in any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477) or you may visit <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: James Reynolds by phone at 202-366-2786, by fax at 202-366-4566, by mail at DOT, PHMSA, 400 Seventh Street, SW., Room 2103, Washington, DC, 20590, or by e-mail at james.reynolds@dot.gov.

SUPPLEMENTARY INFORMATION: PNGTS requests a waiver from compliance with 49 CFR 192.611 for selected gas transmission pipeline segments in Windham, Maine. Specifically, PNGTS requests a waiver from the requirement to revise the MAOP or upgrade the pipeline segments after a class location change. If this waiver is granted, PNGTS will conduct risk control activities that include: (1) Internal pipeline inspection

using geometry and magnetic flux leakage in-line inspection tools; (2) annual close interval cathodic protection surveys; (3) direct current voltage gradient (DCVG) surveys; (4) direct assessment on anomalies; (5) additional aerial patrols; and (6) installation of buried excavation warning tape over the pipeline. PNGTS asserts that these alternative risk control activities will provide an equal or higher level of safety than currently provided by the pipeline safety regulations.

Federal pipeline safety regulations at § 192.611 require a gas pipeline operator to confirm or revise the MAOP of its pipeline if the hoop stress corresponding to the established MAOP of a segment of pipeline is not commensurate with the present class location and the segment is in satisfactory physical condition.

PNGTS's waiver request involves two locations on its 24-inch pipeline in Windham, Maine. Both locations were hydrotested to 1846 pounds per square inch gauge (psig) in December of 1998:

Location 1: Consists of 785 feet of Class 1 pipe, 24-inch outside diameter, 0.343-inch wall, American Petroleum Institute (API) 5L/Grade X70 steel pipe, and 2128 feet of Class 3 pipe, 24-inch outside diameter, 0.494-inch wall, API 5L/Grade X70 steel pipe, for a total length of 2913 feet of pipe.

Location 2: Consists of 4766 feet of Class 1 pipe, 24-inch outside diameter, 0.343-inch wall, and API 5L/Grade X70 steel pipe.

With regard to location 1, PNGTS requests this waiver because the development or conversion of an active gravel pit in an industrial park will change the 785 feet of Class 1 to Class 3 pipe. With regard to location 2, PNGTS requests the waiver because the development of a residential subdivision is expected to change the entire 4766 feet of Class 1 to Class 3 pipe. Therefore, both locations will change from Class 1 to Class 3. The pipelines were constructed during 1998 and 1999 and began operating on March 10, 1999; according to PNGTS, these pipelines are in excellent condition.

PNGTS performs an annual close interval survey (CIS) on 15% to 20% of its pipeline system and in the summer of 2000, PNGTS performed a base line CIS of its entire pipeline system. This CIS revealed zero low potentials or anomalies at the requested waiver locations. PNGTS also performed a baseline high-resolution magnetic flux leakage internal inspection (smart pig) on its mainline in November of 2002. Two minor anomalies were identified during the inspection and were later

excavated and investigated during the summer of 2005.

PNGTS's mainline valves (MLV) are equipped with remote controlled valve actuators. Each valve assembly contains an upstream and downstream pressure transmitter that communicates with PNGTS's supervisory control and data acquisition (SCADA) system and Gas Control Center. The primary communication method is through a satellite link with a backup modem system. If PNGTS's SCADA system detects operating pressures outside the pre-established pressure limits, the system activates an alarm which notifies the gas control operator. The gas control operator has the capability of operating the MLV remotely or isolating the pipeline completely.

PNGTS proposes to perform alternative risk control activities rather than lowering the MAOP of the system or replacing the two segments of Class 1 pipe (totaling 5551 feet). PNGTS believes that the following alternative risk control activities are consistent with pipeline safety and will maintain or exceed the margin of safety and environmental protection provided by 49 CFR § 192.611:

1. Perform a cathodic protection CIS on the requested waiver segments. The cathodic protection CIS will be performed annually and include 1000 feet upstream and downstream of the requested waiver segments.
2. Perform a DCVG survey on the requested waiver segments of the pipeline. PNGTS proposes to include an additional 1000 feet of pipeline in its survey. The additional 1000 feet of pipeline is located upstream and downstream of the requested waiver segments.
3. Perform a direct assessment on all anomalies or corrosion indications identified by the internal inspection survey or the cathodic protection CIS. The direct assessment will be performed on the requested waiver segments regardless of size or depth of anomaly indication, and include an additional 1000 feet of pipe upstream and downstream of the requested waiver segments.

4. Perform weekly aerial patrols over the entire PNGTS 24-inch mainline and 12-inch lateral pipeline. Aerial patrols will also observe pipeline surface conditions for indications of construction activity that could affect the safe operation of the pipeline. In addition, and at a minimum, PNGTS will also perform quarterly road crossing patrols and leak surveys using leak detection equipment at all road crossings located within the requested waiver segments and all corresponding

Class 3 locations over the entire length of the requested waiver segments.

5. Install buried excavation warning tape over the pipelines, and throughout the entire requested waiver segments, to further alert excavators of the existence of PNGTS's pipelines.

Finally, PNGTS believes the additional cathodic protection CIS will

insure the integrity of the cathodic protection and fusion bond epoxy coating systems, thereby minimizing the risk of future corrosion and maximizing the opportunity for prompt identification of corrosion-related deficiencies.

Authority: 49 U.S.C. 60118(c) and 2015; and 49 CFR 1.53.

Issued in Washington, DC on August 30, 2006.

Jeffrey D. Wiese,

Acting Deputy Associate Administrator for Pipeline Safety.

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