

Review.” The rulemaking action is also not considered to be significant under the Department’s Regulatory Policies and Procedures (44 FR 11034; February 26, 1979).

For the following reasons, we believe that this final rule will not increase vehicle manufacturers’ costs to provide school buses for uses other than transportation of students between home and school. In order to manufacture a “multifunction school activity bus,” vehicle manufacturers need only manufacture a school bus and omit including the four-way/eight-way alternating flashing lights and stop arm.

For the following reasons, depending on how the new “multifunction school activity bus” is priced, NHTSA believes that organizations that at present purchase school buses for transportation purposes other than to and from home to school might realize a cost benefit as a result of this rulemaking.

As earlier discussed, this final rule creates a subcategory of school buses that need not meet requirements for flashing four-way/eight-way alternating flashing lights or a stop arm. Estimates supplied by Blue Bird Body Company (a school bus manufacturer) indicate that the average cost of the four-way/eight-way alternating flashing lights is approximately \$417 per school bus and the average cost of the stop-arm is approximately \$560. Estimates supplied by Thomas Built Buses (another school bus manufacturer) indicate that the cost for the four-way/eight-way alternating flashing lights ranges from \$175 for the least expensive four-way system to \$2,300 for the most expensive eight-way system and the cost for stop-arms ranges from \$250 to \$720. Based on those figures, the cost of adding stop-arms and alternating flashing lights ranges from \$425 to \$3020 per school bus.

The Annual Fact Book published by *School Transportation News* reports a strong increase in sales of “Type A” school buses (approximately 4,536 kg (10,000 pounds) GVWR); increasing from 6,389 in the 1995–1996 school year to 10,475 in the 1998–1999 school year. The agency notes that from 1990 through 1997, approximately 6,000 “Type A” school buses were sold each year. The agency believes that the increase in the sales of small school buses for years following 1997 is mostly due to purchases by organizations such as day care centers and Head Start, which provide child transportation. The agency does not have any data to indicate what percentages of the “Type A” school buses are sold to organizations that provide transportation other than between home and school. We note that since

approximately 6,000 small “Type A” school buses were sold per year prior to 1997, a reasonable assumption would be that about 4,000 of these buses are sold to day care centers and others for transportation purposes other than to and from home to school.

Based on the cost figures discussed above and the conservative estimate of 4,000 Type A school buses sold each year, we estimate that this final rule may save child transportation providers approximately \$3.9 million dollars per year in the small “Type A” school bus market. However, this estimate assumes that school bus manufacturers will reduce the prices of the “multifunction school activity bus” by the amount of money saved as a result of not having to install four-way/eight-way alternating flashing lights or stop arms on those vehicles.

Because the economic impacts of this proposal are so minimal (*i.e.*, the annual effect on the economy is less than \$100 million), no further regulatory evaluation is necessary.

B. Executive Order 13132 (Federalism)

Executive Order 13132 requires us to develop an accountable process to ensure “meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications.” “Policies that have federalism implications” is defined in the Executive Order to include regulations that have “substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.” Under Executive Order 13132, we may not issue a regulation with Federalism implications, that imposes substantial direct compliance costs, and that is not required by statute, unless the Federal government provides the funds necessary to pay the direct compliance costs incurred by State and local governments, or unless we consult with State and local governments, or unless we consult with State and local officials early in the process of developing the proposed regulation. We also may not issue a regulation with Federalism implications and that preempts State law unless we consult with State and local officials early in the process of developing the proposed regulation.

This final rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in

Executive Order 13132. The reason is that this final rule, applies to motor vehicle manufacturers, not to the States or local governments. This final rule assists child transportation providers by making available a school bus that meets the traffic control laws of States and local governments. Thus, the requirements of Section 6 of the Executive Order do not apply to this final rule.

C. Executive Order 13045 (Economically Significant Rules Disproportionately Affecting Children)

Executive Order 13045 (62 FR 19885, April 23, 1997) applies to any rule that: (1) Is determined to be “economically significant” as defined under E.O. 12866, and (2) concerns an environmental, health or safety risk that NHTSA has reason to believe may have a disproportionate effect on children. If the regulatory action meets both criteria, we must evaluate the environmental health or safety effects of the planned rule on children, and explain why the planned regulation is preferable to other potentially effective and reasonably feasible alternatives considered by us.

This final rule is not subject to the Executive Order because it is not economically significant as defined in E.O. 12866 and does not involve decisions based on environmental, health or safety risks that disproportionately affect children. However, this final rule makes a school bus vehicle type available for transportation purposes other than to and from home to school. Although we do not have any estimates of the extent or nature of the practice throughout the country, the agency is informed by the National Child Care Association that at present, in many cases, children provided transportation to and from child care facilities are transported in 15-passenger vans or other buses that do not meet the special requirements for school buses. This final rule increases the chances that children are transported in MFSABs, rather than in buses that are not school buses and the children’s safety is thereby enhanced.

D. Executive Order 12778 (Civil Justice Reform)

Pursuant to Executive Order 12778, “Civil Justice Reform,” we have considered whether this final rule has any retroactive effect. We conclude that it does not have such an effect. Under 49 U.S.C. 30103, whenever a Federal motor vehicle safety standard is in effect, a State may not adopt or maintain a safety standard applicable to the same aspect of performance which is not identical to the Federal standard, except