

AUG 20 2003

Mr. Rod Nash
Vice President of Engineering
Collins Industries, Inc.
15 Compound Drive
Hutchinson, KS 67502-4349

Dear Mr. Nash:

This is in reply to your two letters of June 23, 2003, received in this Office on July 16.

In one letter, you wrote on behalf of Capacity of Texas (Capacity), which you identified as a “wholly-owned subsidiary” of Collins Industries, Inc. (Collins). You related that “Collins has other subsidiaries that build school buses, commercial buses, and ambulances.” You commented that only a portion of Capacity’s total production of “spotter trucks” is certified for use on the public roads, less than 500 vehicles a year, but that the total number of vehicles manufactured by all subsidiaries of Collins will be more than 500 a year. You have asked whether Capacity may report as a small volume manufacturer under the early warning reporting (EWR) regulation (i.e., under 49 CFR 579.27 rather than under 49 CFR 579.22).

In the other letter, you have written on behalf of Wheeled Coach Industries (Wheeled Coach), another wholly-owned Collins subsidiary. Wheeled Coach produces both light vehicles and medium-heavy vehicles (all ambulances). You reported that you were told by a panelist at the public meeting of June 19, 2003, that if production of either of these types “within a year’s time” was under 500, Wheeled Coach would only have to report about deaths involving that type. You have written for confirmation that Wheeled Coach can report as a small volume manufacturer “in years the production volume is less than 500 ambulances” of each type.

Collins presents itself as a specialty vehicle manufacturer with seven subsidiaries. See www.collinsind.com. In addition to Capacity and Wheeled Coach, these subsidiaries include Collins Bus Corp., World Trans. Inc., Mid Bus Corporation, Waldron Equipment and Lay-Mor. Collins’ most recent release of financial information states that Collins

Industries is a leading manufacturer of ambulances, North America's largest manufacturer of Type "A" small school buses, the nation's second largest manufacturer of terminal trucks and a leader in the road construction and industrial sweeper markets. These products are made by its various subsidiaries. Similarly, Collins Industries' most recent SEC 10-K filing states that the Company, Collins, manufactures the products referred to above. Collins presents its financials in consolidated statements that include its subsidiaries.

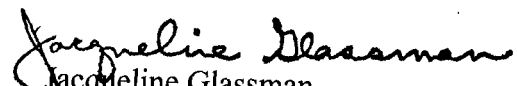
As we explained in a recent interpretation to Jason Cavallo of the Halcore Group, "[u]nder the EWR regulation, the definition of "manufacturer" at 49 CFR 579.4(c) includes parents, subsidiaries, and affiliates. For purposes of determining whether the production of vehicles meets or exceeds the 500 vehicles per year threshold in Section 579.21 *et seq.*, the production of the divisions, parent, subsidiaries and affiliates must be aggregated. However, under Section 579.3(b), the parent may report collectively or the incorporated entities may report separately, provided that all vehicles are covered by the reporting."

The determinant between full and limited (i.e., small volume manufacturer under Section 579.27) reporting is the total annual aggregate production for each type of vehicle defined by the EWR regulation. With respect to vehicles manufactured by Collins, these types would appear to be "medium-heavy vehicle and bus," and "light vehicle," which is defined as any vehicle (other than a bus, motorcycle, or trailer) with a GVWR of 10,000 pounds or less. If the aggregate number of either light vehicles or medium heavy vehicles and buses is less than 500, Collins (or its individual subsidiaries) would only have to report limited information required by Section 579.27 for that type of vehicle.

With regard to your second letter, as explained above, Collins must report according to the aggregate production of each vehicle type. For example, assume that Wheeled Coach produces less than 500 medium-heavy vehicles and another subsidiary of Collins produces less than 500 buses. If the aggregate production by both subsidiaries (and all other subsidiaries of Collins) of medium-heavy vehicles and buses is 500 or more, Collins (and/or its individual subsidiaries) must report as required by Section 579.22. By the same token, if Wheeled Coach is the only subsidiary of Collins producing light vehicles and its production is less than 500, Wheeled Vehicles (or Collins itself) would report with respect to those vehicles under Section 579.27. However, to report under Section 579.27, the production of light vehicles must be less than 500 "during the calendar year of the reporting period or during each of the two prior calendar years" (Section 579.21). Moreover, if Collins anticipates that Wheeled Coach's total production of light vehicles will exceed 500 before the end of a calendar year, Collins would file its quarterly reports as required by Section 579.21, even if its production was below 500 in each of the prior two calendar years.

If you have any questions, you may refer them to Taylor Vinson or Andrew DiMarsico of this Office (202-366-5263).

Sincerely,


Jacqueline Glassman
Chief Counsel