Memorandum Regarding Estimates Of Production
Under The Early Warning Reporting Rules

NHTSA has received inquiries whether under the early warning reporting (EWR) rule, a manufacturer must estimate annual production of its vehicles to determine whether it likely will be above the production threshold for full reporting, and if so, whether it must then submit quarterly reports before its actual production-to-date reaches the threshold. We have also received inquiries on how to report production where the manufacturer does not know, and cannot determine with reasonable effort, the number of reportable items it manufactured.

The early warning reporting rule divides manufacturers of motor vehicles into two groups with different responsibilities for reporting. The first group, which includes larger manufacturers of motor vehicles that produce, import, offer for sale or sell 500 or more vehicles per year of one or more of four defined categories of vehicles, is subject to comprehensive reporting. See 49 CFR 579.21-24. The second group, which includes relatively small manufacturers of less than 500 vehicles per year in those defined categories, is subject to limited reporting. See 49 CFR 579.27. (Manufacturers of tires and child restraint systems are also required to make comprehensive reports.) As we explained in an interpretation, manufacturers are required to make good faith estimates of their expected annual production for purposes of determining whether to report under 49 CFR 579.21-24 or 579.27. See Letter of July 24, 2003, to Mr. Lance Tunick.

While we require estimation of future production for purposes of determining whether the manufacturer is likely to be at or above the 500 vehicle threshold, ordinarily reports of production-to-date will be actual numbers. However, manufacturers will be permitted to approximate production information in those situations where it is not possible for a manufacturer to quantify the number of vehicles, tires, or child restraint systems it manufactured. We anticipate and expect that such approximations of past production will be few and far between, given that manufacturers would usually keep production records in the ordinary course of their business.

Additional questions concerning EWR should be directed to Andrew DiMarsico of this office at 202-366-5263.

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