

For the foregoing reasons, the agency hereby grants in full GM's petition for exemption for the Cadillac ATS vehicle line from the parts-marking requirements of 49 CFR part 541, beginning with the 2014 model year vehicles. The agency notes that 49 CFR part 541, Appendix A-1, identifies those lines that are exempted from the Theft Prevention Standard for a given model year. 49 CFR 543.7(f) contains publication requirements incident to the disposition of all Part 543 petitions. Advanced listing, including the release of future product nameplates, the beginning model year for which the petition is granted and a general description of the antitheft device is necessary in order to notify law enforcement agencies of new vehicle lines exempted from the parts marking requirements of the Theft Prevention Standard.

If GM decides not to use the exemption for this line, it should formally notify the agency. If such a decision is made, the line must be fully marked according to the requirements under 49 CFR 541.5 and 541.6 (marking of major component parts and replacement parts).

NHTSA notes that if GM wishes in the future to modify the device on which this exemption is based, the company may have to submit a petition to modify the exemption. Part 543.7(d) states that a Part 543 exemption applies only to vehicles that belong to a line exempted under this part and equipped with the antitheft device on which the line's exemption is based. Further, Part 543.9(c)(2) provides for the submission of petitions "to modify an exemption to permit the use of an antitheft device similar to but differing from the one specified in that exemption."

The agency wishes to minimize the administrative burden that Part 543.9(c)(2) could place on exempted vehicle manufacturers and itself. The agency did not intend in drafting Part 543 to require the submission of a modification petition for every change to the components or design of an antitheft device. The significance of many such changes could be *de minimis*. Therefore, NHTSA suggests that if the manufacturer contemplates making any changes, the effects of which might be characterized as *de minimis*, it should consult the agency before preparing and submitting a petition to modify.

**Authority:** 49 U.S.C. 33106; delegation of authority at 49 CFR 1.50.

Issued on: October 24, 2012.

**Christopher J. Bonanti,**  
Associate Administrator for Rulemaking.  
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## DEPARTMENT OF TRANSPORTATION

### National Highway Traffic Safety Administration

#### Petition for Exemption From the Federal Motor Vehicle Theft Prevention Standard; Chrysler

**AGENCY:** National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

**ACTION:** Grant of petition for exemption.

**SUMMARY:** This document grants in full the Chrysler LLC, (Chrysler) petition for exemption of the Chrysler [confidential] vehicle line in accordance with 49 CFR Part 543, *Exemption from Vehicle Theft Prevention Standard*. This petition is granted because the agency has determined that the antitheft device to be placed on the line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard 49 CFR Part 541, *Federal Motor Vehicle Theft Prevention Standard*. Chrysler requested confidential treatment for specific information in its petition. The agency will grant Chrysler's request for confidential treatment by separate letter. Chrysler informed the agency that the nameplate will be released prior to introduction of the vehicle line.

**DATES:** The exemption granted by this notice is effective beginning with the 2014 Model Year (MY).

**FOR FURTHER INFORMATION CONTACT:** Ms. Carlita Ballard, International Policy, Fuel Economy and Consumer Programs, NHTSA, W43-439, 1200 New Jersey Avenue SE., Washington, DC 20590. Ms. Ballard's phone number is (202) 366-5222. Her fax number is (202) 493-2990.

**SUPPLEMENTARY INFORMATION:** In a petition dated July 31, 2012, Chrysler requested an exemption from the parts-marking requirements of the Theft Prevention Standard (49 CFR Part 541) for the MY 2014 Chrysler [confidential] vehicle line. The petition requested an exemption from parts-marking pursuant to 49 CFR Part 543, *Exemption from Vehicle Theft Prevention Standard*, based on the installation of an antitheft device as standard equipment for the entire vehicle line.

Under 49 CFR Part 543.5(a), a manufacturer may petition NHTSA to

grant an exemption for one vehicle line per model year. In its petition, Chrysler provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the [confidential] vehicle line. Chrysler will install the Sentry Key Immobilizer System (SKIS) antitheft device as standard equipment on the vehicle line. The SKIS provides passive vehicle protection by preventing the engine from operating unless a valid electronically encoded key is detected in the ignition system of the vehicles. The major components of the SKIS device consist of the Radio Frequency Hub Module (RFHM), Ignition Node Module (IGNM), Engine Control Module, Body Controller Module, Sentry Key Immobilizer Module (SKIM), the transponder key that performs the immobilizer function and the Instrument Panel Cluster which contains the telltale function only. According to Chrysler, all of these components work collectively to perform the immobilizer function. Chrysler stated that its [confidential] vehicle line will also be available with an optional visible or audible alarm system to provide an indication of unauthorized vehicle entry (i.e., flashing lights or horn alarm).

According to Chrysler, the immobilizer feature is activated when the key is removed from the ignition system, whether the doors are open or not. Only a valid key inserted into the ignition system will allow the vehicle to start and continue to run.

Chrysler stated that the functions and features of the SKIM are all integral to the RFHM. The SKIM performs the interrogation with the transponder in the key. The RFHM receives Low Frequency (LF) and/or Radio Frequency (RF) signals from the Sentry Key transponder which is integral to the FOB with integrated key. The RFHM contains an RF transceiver, a microprocessor and serves as the Remote Keyless Entry RF receiver.

The RFHM is paired with the IGNM that contains either a rotary ignition switch (keyed vehicles) or a START/STOP push button (keyless vehicles). According to Chrysler, the SKIS will be placed on both its keyless entry vehicles and keyed vehicles. For the keyed vehicles, the IGNM transmits an LF signal to excite the transponder in the key when the ignition switch is turned to the ON position. The IGNM waits for a signal response from the transponder and transmits the response to the RFHM. If the response identifies the transponder key as invalid or if no response is received from the transponder key, Chrysler stated that the

RFHM sends an invalid key message to the Engine Control Module, which will disable engine operation and immobilize the vehicle after two seconds of running. This process is also similar for the keyless vehicles. Chrysler stated that when the keyless START/STOP button is pressed, the RFHM transmits a signal to the transponder key through LF antennas to the RFHM. The RFHM waits for a signal from the transponder. If the response from the transponder identifies the transponder key as invalid or the transponder key is not within the car's interior, the engine will be disabled and the vehicle will be immobilized after two seconds of running.

To avoid any perceived delay when starting the vehicle with a valid transponder key and to prevent unburned fuel from entering the exhaust, Chrysler stated that the engine is permitted to run for no more than two seconds if an invalid transponder key is used. Chrysler stated that only six consecutive invalid vehicle start attempts are permitted and all other attempts are locked out by preventing the fuel injectors from firing and disabling the starter.

Chrysler also stated that each ignition key used in the SKIS has an integral transponder chip included on the circuit board beneath the cover of the integral Remote Keyless Entry transmitter. Each transponder key has a unique transponder identification code that is permanently programmed into it by the manufacturer which must be programmed into the RFHM to be recognized by the SKIS as a valid key. Chrysler stated that once a Sentry Key has been programmed to a particular vehicle, it cannot be used on any other vehicle.

In addressing the specific content requirements of 49 CFR Part 543.6, Chrysler provided information on the reliability and durability of the device. Chrysler conducted tests based on its own specified standards and stated its belief that the device meets the stringent performance standards prescribed. Specifically, Chrysler stated that its device must demonstrate a minimum of 95 percent reliability with 90 percent confidence. In addition to the design and production validation test criteria, Chrysler stated that the SKIS device also undergoes a daily short term durability test and all of its systems undergo a series of three functional tests for durability prior to being shipped from the supplier to the vehicle assembly plant for installation in its vehicles.

Chrysler stated that its vehicles are also equipped with a security indicator that acts as a diagnostic indicator.

Chrysler stated that if the RFHM detects an invalid transponder key or if a transponder key related fault exists, the security indicator will flash. If the RFHM detects a system malfunction or the SKIS has become ineffective, the security indicator will stay on. If the vehicle is equipped with a Customer Learn transponder programming feature, the security indicator will flash whenever the Customer Learn programming is in use.

Chrysler stated that it expects the [confidential] vehicle line to mirror the lower theft rate results achieved by the Jeep Grand Cherokee vehicle line when ignition immobilizer systems were included as standard equipment on the line. Chrysler stated that it has offered the SKIS immobilizer system as standard equipment on all Jeep Grand Cherokee vehicles since the 1999 model year. Chrysler indicated that the average theft rate, based on NHTSA's theft data, for the Jeep Grand Cherokee vehicles for the four model years prior to 1999 (1995–1998), when a vehicle immobilizer system was not installed as standard equipment, was 5.3574 per one thousand vehicles produced, significantly higher than the 1990/1991 median theft rate of 3.5826. However, the average theft rate for the nine model years (1999–2008, no data available for 2007) after installation of the standard immobilizer device was 2.5704, which is significantly lower than the median. The Jeep Grand Cherokee vehicle line was granted an exemption from the parts-marking requirements beginning with MY 2004 (67 FR 79687, December 30, 2002). Chrysler further stated that NHTSA's theft data for the Jeep Grand Cherokee indicates that the inclusion of a standard immobilizer system resulted in a 52 percent net average reduction in vehicle thefts.

Pursuant to 49 U.S.C. 33106 and 49 CFR Part 543.7(b), the agency grants a petition for exemption from the parts-marking requirements of Part 541, either in whole or in part, if it determines that, based upon substantial evidence, the standard equipment anti-theft device is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of Part 541. The agency finds that Chrysler has provided adequate reasons for its belief that the anti-theft device for the vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard (49 CFR Part 541). This conclusion is based on the information Chrysler provided about its device.

The agency concludes that the device will provide four of the five types of performance listed in 49 CFR Part 543.6(a)(3): Promoting activation; preventing defeat or circumvention of the device by unauthorized persons; preventing operation of the vehicle by unauthorized entrants; and ensuring the reliability and durability of the device.

For the foregoing reasons, the agency hereby grants in full Chrysler's petition for exemption for its [confidential] vehicle line from the parts-marking requirements of 49 CFR Part 541, beginning with the 2014 model year vehicles. The agency notes that 49 CFR Part 541, Appendix A–1, identifies those lines that are exempted from the Theft Prevention Standard for a given model year. 49 CFR Part 543.7(f) contains publication requirements incident to the disposition of all Part 543 petitions. Advanced listing, including the release of future product nameplates, the beginning model year for which the petition is granted and a general description of the anti-theft device is necessary in order to notify law enforcement agencies of new vehicle lines exempted from the parts marking requirements of the Theft Prevention Standard.

If Chrysler decides not to use the exemption for this vehicle line, it must formally notify the agency. If such a decision is made, the vehicle line must be fully marked as required by 49 CFR Parts 541.5 and 541.6 (marking of major component parts and replacement parts).

NHTSA notes that if Chrysler wishes in the future to modify the device on which this exemption is based, the company may have to submit a petition to modify the exemption. 49 CFR Part 543.7(d) states that a Part 543 exemption applies only to vehicles that belong to a line exempted under this part and equipped with the anti-theft device on which the line's exemption is based. Further, 49 CFR Part 543.9(c)(2) provides for the submission of petitions "to modify an exemption to permit the use of an anti-theft device similar to but differing from the one specified in that exemption."

The agency wishes to minimize the administrative burden that 49 CFR Part 543.9(c)(2) could place on exempted vehicle manufacturers and itself. The agency did not intend in drafting Part 543 to require the submission of a modification petition for every change to the components or design of an anti-theft device. The significance of many such changes could be *de minimis*. Therefore, NHTSA suggests that if the manufacturer contemplates making any changes, the effects of

which might be characterized as *de minimis*, it should consult the agency before preparing and submitting a petition to modify.

**Authority:** 49 U.S.C. 33106; delegation of authority at 49 CFR 1.50.

Issued on: October 24, 2012.

**Christopher J. Bonanti,**

*Associate Administrator for Rulemaking.*

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## DEPARTMENT OF TRANSPORTATION

### National Highway Traffic Safety Administration

#### Petition for Exemption From the Vehicle Theft Prevention Standard; Volkswagen Group of America, Inc.

**AGENCY:** National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

**ACTION:** Grant of petition for exemption.

**SUMMARY:** This document grants in full the Volkswagen Group of America, Inc.'s (Volkswagen) petition for exemption of the Volkswagen Eos vehicle line in accordance with 49 CFR Part 543, *Exemption from the Theft Prevention Standard*. This petition is granted because the agency has determined that the antitheft device to be placed on the line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard, 49 CFR Part 541, *Federal Motor Vehicle Theft Prevention Standard*.

**DATES:** The exemption granted by this notice is effective beginning with the 2014 model year.

**FOR FURTHER INFORMATION CONTACT:** Ms. Deborah Mazyck, Office of International Policy, Fuel Economy and Consumer Programs, NHTSA, West Building, W43-443, 1200 New Jersey Avenue SE., Washington, DC 20590. Ms. Mazyck's phone number is (202) 366-4139. Her fax number is (202) 493-2990.

**SUPPLEMENTARY INFORMATION:** In a petition dated June 27, 2012, Volkswagen requested an exemption from the parts-marking requirements of the Theft Prevention Standard (49 CFR Part 541) for the new MY 2014 Eos vehicle line. The petition requested an exemption from parts-marking requirement pursuant to 49 CFR Part 543, *Exemption from Vehicle Theft Prevention Standard*, based on the installation of an antitheft device as

standard equipment for an entire vehicle line.

Under § 543.5(a), a manufacturer may petition NHTSA to grant an exemption for one vehicle line per model year. In its petition, Volkswagen provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for its Eos vehicle line. Volkswagen will install its fourth generation, transponder-based electronic engine immobilizer antitheft device as standard equipment on its Eos vehicle line beginning with MY 2014. Volkswagen stated that its immobilizer device is aimed to actively incorporate the engine control unit into the evaluation and monitoring process. Key components of the antitheft device will include a passive immobilizer, a warning message indicator, an adapted transponder ignition key, an ignition lock reading coil, an engine control unit and an immobilizer control unit. Activation of the immobilizer device occurs when the mechanical ignition key is switched to the OFF position or when the key transponder is taken outside the vehicle in the optional keyless start option. Deactivation of the device occurs when the ignition is turned on or the key transponder is recognized by the immobilizer control unit. The key transponder sends a fixed code to the immobilizer control unit. If this is identified as the correct code, a variable code is generated in the immobilizer control unit and sent to the transponder. A secret arithmetic process is then started in the transponder and the control unit according to a set of specific equations. The results of the computing process are evaluated in the control unit and if they tally, the vehicle key is acknowledged as correct. The engine control unit then sends a variable code to the immobilizer control unit. If all these data match up with one another, start-up of the vehicle is enabled. Volkswagen stated that a new variable code is generated each time during this secret computing process. Therefore, Volkswagen believes that the code is undecipherable. Volkswagen stated that it will also offer a keyless start option for the vehicle line. Volkswagen's submission is considered a complete petition as required by 49 CFR 543.7, in that it meets the general requirements contained in § 543.5 and the specific content requirements of § 543.6.

Volkswagen stated that the antitheft device will also include an audible and visible alarm feature as standard equipment. When the system is activated, the alarm will trigger if one of the doors, the engine hood or the

luggage compartment lid are forcibly opened. Volkswagen also stated that when any of the protected components are violated, the horn will sound and the vehicle's turn signals will flash. The antitheft alarm system is automatically activated when the vehicle is locked by pressing the lock button on the remote control vehicle key. Deactivation of the alarm system occurs by pressing the unlock button on the remote control vehicle key or turning on the ignition with a valid key.

In addressing the specific content requirements of 543.6, Volkswagen provided information on the reliability and durability of its proposed device. To ensure reliability and durability of the device, Volkswagen stated that the antitheft device has been tested for compliance to its corporate requirements for electrical and electronic assemblies in motor vehicles related to performance.

Volkswagen stated that the Eos vehicle line was introduced in MY 2007 as a parts-marked vehicle and was also equipped with a standard anti-theft device. Volkswagen also stated that the antitheft device has been effective in maintaining a low theft rate for the Eos and that removal of parts-marking will not have an adverse effect on the theft rate. Volkswagen stated that the theft rates for MYs 2007, 2008 and 2009 are 0.8250, 0.7239 and 0.5229, respectively. Using an average of 3 MYs of the most recent theft data (2008-2010), the theft rate for the Eos vehicle line is well below the median at 0.1736.

Volkswagen compared the device proposed for its vehicle line with other devices which NHTSA has determined to be as effective in reducing and deterring motor vehicle theft as would compliance with the parts-marking requirements of the Theft Prevention Standard. Specifically, Volkswagen provided data on the theft reduction benefits experienced by other vehicle lines installed with immobilizer devices that have already been granted petitions for exemptions by the agency. Volkswagen stated the theft rates for the MYs 2007-2009 Mitsubishi Eclipse, BMW 3, Volkswagen Golf/GTI, Volkswagen New Beetle and the MYs 2008-2009 BMW 1 series vehicles have been below the median theft rate. Using an average of 3 MYs data (2007-2009), the average theft rates are 2.5788, 0.6548, 1.1433, and 0.6025, respectively. The average theft rate using two MYs data for the BMW 1 series is 0.2383. Volkswagen also stated that the proposed device is similar to the antitheft device installed on its MY 2011 Tiguan vehicle line which was