

not detailed in this document, the petitioner made a comprehensive showing of its good faith efforts to comply with the requirements of S14.2 of FMVSS No. 208 and S7 of FMVSS No. 108 and detailed engineering and financial information demonstrating that failure to obtain the exemption would cause substantial economic hardship. Specifically, the petitioner provided the following:

1. Chronological analysis of Koenigsegg's efforts to comply, showing the relationship to the rulemaking history of the advanced air bag requirements.
2. Itemized costs of each component that would have to be modified in order to achieve compliance.
3. Discussion of alternative means of compliance and reasons for rejecting these alternatives.
4. A detailed OEM price-volume quotation from an advanced air bag supplier, including detailed costs for the necessary components for each stage of the development program.
5. Explanations as to why components from newer, compliant vehicle lines could not be borrowed.
6. Corporate income statements and balance sheets for the period from 2002–2005, and projected income statements for the period from 2006–2009 (analyzing alternative scenarios in which the petition is granted and denied).

We believe that this exemption will have negligible impact on motor vehicle safety because of the limited number of vehicles affected (approximately 85 to be imported for the duration of the requested three-year exemption). Furthermore, as discussed in previous decisions on temporary exemption applications, the agency believes that the public interest is served by affording consumers a wider variety of motor vehicle choices.

We also note that the CCX features several advanced "active" safety features. These features are listed in the petitioner's application.¹³ While the availability of these features is not critical to our decision, it is a factor in considering whether the exemption is in the public interest.

We note that, as explained below, prospective purchasers will be notified that the vehicle is exempted from the specified advanced air bag requirements of Standard No. 208 and the headlamp requirements of Standard No. 108. 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 Standard 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.

We note that the text of § 555.9 does not expressly indicate how the required statement on the two labels should read in situations where an exemption covers part but not all of a Federal motor vehicle safety standard. Specifically in the case of FMVSS No. 208, we believe that a statement that the vehicle has been exempted from Standard No. 208 generally, without an indication that the exemption is limited to the specified advanced air bag provisions, could be misleading. A consumer might incorrectly believe that the vehicle has been exempted from all of Standard No. 208's requirements. Moreover, we believe that the addition of a reference to such provisions by number without an indication of its subject matter would be of little use to consumers, since they would not know the subject of those specific provisions. For these reasons, we believe the two labels should read in relevant part, "except for S14.5.2, S15, S17, S19, S21, S23, and S25 (Advanced Air Bag Requirements) of Standard No. 208, Occupant Crash Protection, exempted pursuant to * * *". We note that the phrase "Advanced Air Bag Requirements" is an abbreviated form of the title of S14 of Standard No. 208. Similarly, regarding the temporary exemption for the CCX's headlamps, we believe that the two labels should read in relevant part, "except for S7 of Standard No. 108, Lamps, Reflective Devices, and Associated Equipment, exempted pursuant to * * *". We believe it is reasonable to interpret § 555.9 as requiring this language.

In sum, the agency concludes that Koenigsegg has demonstrated good faith effort to bring the CCX into compliance with the advanced air bag requirements of FMVSS No. 208 and the headlamp requirements of FMVSS No. 108 and has also demonstrated the requisite financial hardship. Further, we find these exemptions to be in the public interest.

In consideration of the foregoing, we conclude that compliance with the advanced air bag requirements of FMVSS No. 208, *Occupant Crash Protection*, and the headlamp

requirements of FMVSS No. 108, *Lamps, Reflective Devices, and Associated Equipment*, would cause substantial economic hardship to a manufacturer that has tried in good faith to comply with the standard. We further conclude that granting of an exemption from these provisions would be in the public interest and consistent with the objectives of traffic safety.

In accordance with 49 U.S.C. 30113(b)(3)(B)(i), the Koenigsegg CCX is granted NHTSA Temporary Exemption No. EX 06–10, from S14.5.2, S15, S17, S19, S21, S23, and S25 of 49 CFR 571.208 and from S7 of 49 CFR 571.108. The exemption is effective immediately and continues in effect through December 31, 2009.

Issued on: March 29, 2007.

Nicole R. Nason,
Administrator.

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Petition to Modify an Exemption of a Previously Approved Antitheft Device; General Motors Corporation

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

ACTION: Grant of a petition to modify an exemption from the Parts Marking Requirements of a previously approved antitheft device.

SUMMARY: On August 15, 1989, the National Highway Traffic Safety Administration (NHTSA) granted in part General Motors Corporation's (GM) petition for an exemption in accordance with § 543.9(c)(2) of 49 CFR Part 543, *Exemption from the Theft Prevention Standard* for the Chevrolet Camaro vehicle line. The exemption was granted because the agency determined that the antitheft device proposed to be placed on the line as standard equipment was likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard. On November 10, 2006, GM petitioned the agency to amend the exemption previously granted for the Chevrolet Camaro vehicle line. NHTSA is granting in full GM's petition to modify the exemption because it has determined that the modified antitheft device to be placed on the Chevrolet Camaro line as standard equipment will also likely be as effective in reducing

¹³ See page 16 of Koenigsegg's petition.

and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard.

DATES: The exemption granted by this notice is effective beginning with model year (MY) 2010.

FOR FURTHER INFORMATION CONTACT: Ms. Deborah Mazyck, Office of International Vehicle, Fuel Economy and Consumer Standards, NHTSA, 400 Seventh Street, SW., Washington, DC 20590. Ms. Mazyck's phone number is (202) 366-0846. Her fax number is (202) 493-2290.

SUPPLEMENTARY INFORMATION: On August 15, 1989, NHTSA published in the *Federal Register* a notice granting in part a petition from GM for an exemption from the parts marking requirements of the Theft Prevention Standard (49 CFR 541) for the 1990 Chevrolet Camaro vehicle line. The Chevrolet Camaro was equipped with the PASS-Key antitheft device (See 54 FR 33655). For MY 1993, the device was changed to the PASS-Key II device. GM did not submit a petition for modification at that time because, in a February 7, 1992, letter to GM, the agency determined that changes in the "PASS-Key II" constituted a *de minimis* change in the PASS-Key device. GM suspended production of the Chevrolet Camaro vehicle line at the end of the 2003 MY.

In a petition dated November 10, 2006, GM requested a modification of the previously granted exemption for the Chevrolet Camaro vehicle line. GM stated that "(F) or the 2010 Model Year, General Motors will be reinstating production of the Chevrolet Camaro and upgrading the standard theft deterrent system." GM's November 10, 2006, submission is a complete petition, as required by 49 CFR Part 543.9(d), in that it meets the general requirements contained in 49 CFR Part 543.5 and the specific content requirements of 49 CFR Part 543.6. GM's petition provides a detailed description and diagram of the identity, design, and location of the components of the antitheft device proposed for installation beginning with the 2010 model year.

The 1990 antitheft device (PASS-Key) installed on the Chevrolet Camaro was a passively activated, transponder-based, electronic immobilizer system. The PASS-Key system used a standard ignition key to rotate a specially coded ignition switch. Before the vehicle could be operated, the electrical resistance of a pellet embedded in the shank of the key had to be sensed by elements in the ignition lock cylinder and recognized by the decoder. If a key with the incorrect electrical resistance was inserted, the

PASS-Key decoder module would shut down, disabling the start and fuel delivery systems.

The 1993 antitheft device (PASS-Key II) was a modification of the PASS-Key device. GM stated that the key resistance read by discrete electrical components in the PASS-Key circuitry was replaced in the PASS-Key II device with the key resistance being determined by a microprocessor. Additionally, a security indicator would illuminate continuously directing the operator to have the vehicle serviced if "fail enabled" conditions (i.e., vehicle does not start with the proper key because of a dirty or contaminated resistor pellet) arose. If a fault was detected, future ignition cycles would not be allowed regardless of key authorization.

In its second modification, GM stated that it proposes to install its Chevrolet Camaro vehicle line with its PASS-Key III+ antitheft device for MY 2010. The PASS-Key III+ is also a transponder based, electronic immobilizer system. It is designed to be active at all times without direct intervention by the vehicle operator. The antitheft device is fully armed immediately after the ignition has been turned off and the key removed. The device will continue to provide protection against unauthorized use (i.e., starting and engine fueling), but will not provide any visible or audible indication of unauthorized vehicle entry (i.e., flashing lights or horn alarm).

Components of the modified antitheft device include an electronically-coded ignition key, a PASS-Key III+ controller module and an engine control module. Unlike the ignition key used with the PASS-Key and PASS-Key II devices, the PASS-Key III+ ignition key contains electronics embedded within the head of the key. These electronics receive energy and data from the control module. Upon receipt of the data, the key will calculate a response to the data using secret information and an internal encryption algorithm, and transmit the response back to the vehicle. The controller module translates the radio frequency signal received from the key into a digital signal and compares the received response to an internally calculated value. If the values match, the key is recognized as valid and the vehicle can be operated.

The PASS-Key III+ device has the potential for over four billion unique electrical key codes which varies with every ignition cycle, while the PASS-Key and PASS-Key II has a possibility of 15 code combinations that never varies at each ignition cycle. In the PASS-Key III+, each key is uniquely

coded and the vehicle can be programmed to operate with up to ten different codes, compared to the PASS-Key and PASS-Key II devices that only allow a vehicle to recognize a single unique code.

GM indicated that the theft rates, as reported by the Federal Bureau of Investigation's National Crime Information Center (NCIC), are lower for GM models equipped with the "PASS-Key"-like systems which have exemptions from the parts-marking requirements of 49 CFR Part 541, than the theft rates for earlier, similarly-constructed models which were parts-marked. Based on the performance of the PASS-Key, PASS-Key II, and PASS-Key III systems on other GM models, and the advanced technology utilized by the modification, GM believes that the MY 2010 antitheft device will be more effective in deterring theft than the parts-marking requirements of 49 CFR Part 541.

GM stated that the theft rates for the 2003 and 2004 Cadillac CTS and the MY 2004 Cadillac SRX currently installed with the PASS-Key III+ antitheft device exhibit theft rates that are lower than the median theft rate (3.5826) established by the agency. The Cadillac CTS introduced as a MY 2003 vehicle line has been equipped with the PASS-Key III+ device since the start of production. The theft rates for the MY 2003 and 2004 Cadillac CTS is 1.0108 and 0.7681 respectively. Similarly, the Cadillac SRX introduced as a MY 2004 vehicle has been equipped with the PASS-Key III+ device since production. The theft rate for MY 2004 Cadillac SRX is 0.7789. GM stated that the theft rates experienced by these lines with installation of the PASS-Key III+ device demonstrate the effectiveness of the device. The agency agrees that the device is substantially similar to devices for which the agency has previously approved exemptions.

GM's proposed device, as well as other comparable devices that have received full exemptions from the parts-marking requirements, lack an audible or visible alarm. Therefore, these devices cannot perform one of the functions listed in 49 CFR Part 543.6(a)(3), that is, to call attention to unauthorized attempts to enter or move the vehicle. Based on comparison of the reduction in the theft rates of GM vehicles using a passive theft deterrent device with an audible/visible alarm system to the reduction in theft rates for GM vehicle models equipped with a passive antitheft device without an alarm, GM finds that the lack of an alarm or attention attracting device does not compromise the theft deterrent

performance of a system such as PASS-Key III+. In past petitions, the agency has concluded that the lack of a visual or audio alarm has not prevented these antitheft devices from being effective protection against theft.

On the basis of this comparison, GM believes that the antitheft device (PASS-Key III+) for model years 2010 and later will provide essentially the same functions and features as found on its MY 1990–2002 PASS-Key device and therefore, its modified device will provide at least the same level of theft prevention as parts-marking. GM believes that the antitheft device proposed for installation on its MY 2010 Chevrolet Camaro is likely to be as effective in reducing thefts as compliance with the parts marking requirements of Part 541.

In addressing the specific content requirements of 543.6, GM provided information on the reliability and durability of the proposed device. To ensure reliability and durability of the device, GM conducted tests based on its own specified standards. GM provided a detailed list of the tests conducted and believes that the device is reliable and durable since it complied with the specified requirements for each test. GM also stated that since the authorization code is not handled or contacted by the vehicle operator, the reliability of the PASS-Key III+ is significantly improved over the PASS-Key and PASS-Key II devices. This reliability allows the system to return to the “Go/No Go” based system, eliminating the “fail enabled” mode of operation.

The agency has evaluated GM's MY 2010 petition to modify the exemption for the Chevrolet Camaro vehicle line from the parts-marking requirements of 49 CFR Part 541, and has decided to grant it. It has determined that the PASS-Key III+ system is likely to be as effective as parts-marking in preventing and deterring theft of these vehicles, and therefore qualifies for an exemption under 49 CFR Part 543. The agency believes that the proposed device will continue to provide four of the five types of performance listed in § 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.

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 Parts 541.5 and 541.6 (marking of major component parts and replacement parts).

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.

Stephen R. Kratzke,

Associate Administrator for Rulemaking.

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Petition for Exemption From the Federal Motor Vehicle Motor Theft Prevention Standard; General Motors Corporation

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

ACTION: Grant of petition for exemption.

SUMMARY: This document grants in full the petition of General Motors Corporation (GM) for an exemption in accordance with § 543.9(c)(2) of 49 CFR Part 543, *Exemption from the Theft Prevention Standard*, for the Saturn Aura vehicle line beginning with model year (MY) 2008. 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.

DATES: The exemption granted by this notice is effective beginning with model year (MY) 2008.

FOR FURTHER INFORMATION CONTACT: Ms. Rosalind Proctor, Office of International Vehicle, Fuel Economy and Consumer Standards, NHTSA, 400 Seventh Street, SW., Washington, DC 20590. Ms. Proctor's phone number is (202) 366-0846. Her fax number is (202) 493-2290.

SUPPLEMENTARY INFORMATION: In a petition dated October 6, 2006, GM requested an exemption from the parts-marking requirements of the theft prevention standard (49 CFR Part 541) for the Saturn Aura vehicle line beginning with MY 2008. The petition requested an exemption from parts-marking pursuant to 49 CFR 543, Exemption from Vehicle Theft Prevention Standard, based on the installation of an antitheft device as standard equipment for the entire vehicle line.

Under § 543.5(a), a manufacturer may petition NHTSA to grant exemptions for one line of its vehicle lines per year. In its petition, GM provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the new vehicle line. The antitheft device is a transponder-based, electronic, immobilizer system. GM will install its passive antitheft device as standard equipment on its Saturn Aura vehicle line beginning with MY 2008. GM stated that the device will provide protection against unauthorized use (i.e., starting and engine fueling), but will not provide any visible or audible indication of unauthorized vehicle entry (i.e., flashing lights or horn alarm). GM'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.

The antitheft device to be installed on the MY 2008 Saturn Aura is the PASS-Key III+. The PASS-Key III+ device is designed to be active at all times without direct intervention by the vehicle operator. The system is fully armed immediately after the ignition has been turned off and the key removed. The system will provide protection against unauthorized starting and fueling of the vehicle engine. Components of the antitheft device include an electronically-coded ignition key, a PASS-Key III+ controller module and an engine control module. The ignition key contains electronics molded into the key head. These electronics receive energy and data from the control module. Upon receipt of the data, the key will calculate a response to the data using secret information and an internal encryption algorithm, and transmit the response back to the vehicle. The controller module translates the radio frequency signal received from the key into a digital signal and compares the received response to an internally calculated value. If the values match, the key is recognized as valid and the vehicle can be operated.

GM indicated that the theft rates, as reported by the Federal Bureau of Investigation's National Crime Information Center (NCIC), are lower for GM models equipped with the “PASS-Key”-like systems which have exemptions from the parts-marking requirements of 49 CFR Part 541, than the theft rates for earlier, similarly-constructed models which were parts-marked. Based on the performance of the PASS-Key, PASS-Key II, and PASS-Key III systems on other GM models, and the advanced technology utilized by