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Issued on: May 3, 2007.

**Pamela M. Pelcovits,**

*Acting Associate Administrator for Policy and Program Development.*

[FR Doc. E7-8809 Filed 5-7-07; 8:45 am]

BILLING CODE 4910-EX-P

## DEPARTMENT OF TRANSPORTATION

### National Highway Traffic Safety Administration

#### Petition for Exemption From the Vehicle Theft Prevention Standard; Volkswagen

**AGENCY:** National Highway Traffic Safety Administration (NHTSA) Department of Transportation (DOT).  
**ACTION:** Grant of petition for exemption.

**SUMMARY:** This document grants in full the petition of Volkswagen of America, Inc. (VW) in accordance with § 543.9(c)(2) of 49 CFR part 543, *Exemption from the Theft Prevention Standard*, for the Volkswagen New Beetle 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. VW requested confidential treatment for the information and attachments it submitted in support of its petition. The agency will address VW's request for confidential treatment by separate letter.

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

**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 telephone number is (202) 366-0846. Her fax number is (202) 493-2290.

**SUPPLEMENTARY INFORMATION:** In a petition dated February 7, 2007, VW requested an exemption from the parts-marking requirements of the Theft Prevention Standard (49 CFR part 541) for the Volkswagen New Beetle vehicle

line beginning with MY 2008. 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 an entire vehicle line.

Under § 543.5(a), a manufacturer may petition NHTSA to grant exemptions for one of its vehicle lines per year. VW has petitioned the agency to grant an exemption for its New Beetle vehicle line beginning with MY 2008. In its petition, VW provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for its New Beetle vehicle line. VW will install its passive antitheft device as standard equipment on the line. Features of the antitheft device will include an immobilizer control unit, a reading coil on the ignition lock, an engine control unit, a transponder-based ignition key, a remote key fob and a visible and audible alarm. VW'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.

VW stated that the device is activated by turning the key in the driver's door lock to the lock position or by locking the vehicle with the remote key fob. The New Beetle's immobilizer prevents the vehicle from being operated by unauthorized persons. When the ignition key is turned to the "on" position, the key's transporter, the immobilizer control unit, and the engine control unit initiate a complex set of tests to determine if vehicle start-up should be enabled. If the tests fail, the vehicle cannot be started. The vehicle's audible alarm and emergency flasher features are also activated if any of the protected areas of the vehicle are violated. The protected areas include the doors, luggage compartment, engine compartment and the radio.

In its petition, VW further stated it believed its antitheft device has been and will be at least or more effective in reducing and deterring theft than the parts marking requirement. Referencing the data published by NHTSA, VW further stated that the theft rates for the VW Beetle have been significantly below the median.<sup>1</sup> Specifically, theft rates for the MY 2000-2004 New Beetle were 0.9018, 1.1472, 0.9992, 0.5943 and

0.6682 respectively. During these years, the vehicle line was voluntarily equipped with the standard alarm system and immobilizer.

In addressing the specific content requirements of § 543.6, VW provided information on the reliability and durability of its device. To ensure reliability and durability of the device, VW conducted tests based on its own specified standards and believes that the device is reliable and durable since the device complied with its specified requirements for each test. VW provided a detailed list of the tests conducted.

Based on the evidence submitted by VW, the agency believes that the antitheft device for the Volkswagen New Beetle 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).

As required by 49 U.S.C. 33106 and 49 CFR 543.6(a)(4) and (5), the agency finds that VW has provided adequate reasons for its belief that the antitheft device will reduce and deter theft. These conclusions are based on the information VW provided about its device. The agency concludes that the device will provide the five types of performance listed in § 543.6(a)(3): Promoting activation; attracting attention to the efforts of unauthorized persons to enter or operate a vehicle by means other than a key; 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 VW's petition for exemption for the Volkswagen New Beetle vehicle line from the parts-marking requirements of 49 CFR part 541. 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 VW decides not to use the exemption for this line, it must formally notify the agency. If such a decision is made, the line must be fully marked

<sup>1</sup> For clarification purposes, the agency publishes theft rates based on data provided by the National Crime Information Center (NCIC) of the Federal Bureau of Investigation. NHTSA uses NCIC data to calculate theft rates and publishes these rates annually in the **Federal Register**.

according to the requirements under 49 CFR 541.5 and 541.6 (marking of major component parts and replacement parts).

NHTSA notes that if VW 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. Section 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, § 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 § 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: May 2, 2007.

**Stephen R. Kratzke,**

*Associate Administrator for Rulemaking.*  
[FR Doc. E7-8730 Filed 5-7-07; 8:45 am]

**BILLING CODE 4910-59-P**

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

[INTL-939-86]

#### Proposed Collection; Comment Request for Regulation Project

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C.

3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning an existing notice of proposed rulemaking, INTL-939-86, Insurance Income of a Controlled Foreign Corporation for Taxable Years beginning After December 31, 1986 (§ 1.953-2(e)(3)(iii), 1.953-4(b), 1.953-5(a), 1.953-6(a), 1.953-7(c)(8), and 1.6046-1).

**DATES:** Written comments should be received on or before July 9, 2007 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Glenn P. Kirkland, Internal Revenue Service, room 6516, 1111 Constitution Avenue, NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the regulations should be directed to Carolyn N. Brown at Internal Revenue Service, room 6516, 1111 Constitution Avenue, NW., Washington, DC 20224, or at (202) 622-6688, or through the Internet at [Carolyn.N.Brown@irs.gov](mailto:Carolyn.N.Brown@irs.gov).

**SUPPLEMENTARY INFORMATION:**

Title: Insurance Income of a Controlled Foreign Corporation for Taxable Years Beginning After December 31, 1986.

*OMB Number:* 1545-1142. Regulation Project Number: INTL-939-86.

*Abstract:* This regulation relates to the definition and computation of the insurance income of a controlled foreign corporation, and it also contains rules applicable to certain captive insurance companies. The information collection is required by the IRS in order for taxpayers to elect to locate risks with respect to moveable property by reference to the location of the property in a prior period; to allocate investment income to a particular category of insurance income; to allocate deductions to a particular category of insurance income; to determine the amount of those items, such as reserves, which are computed with reference to an insurance company's annual statement; to elect to have related person insurance income treated as income effectively connected with the conduct of a United States trade or business; and to collect the information required by Code section 6046 relating to controlled foreign corporations as defined in Code section 953(c).

*Current Actions:* There is no change to this existing regulation.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Business or other for-profit organizations.

*Estimated Number of Respondents/Recordkeepers:* 500.

*Estimated Time Per Respondent/Recordkeeper:* 28 hr., 12 min.

*Estimated Total Annual Burden Hours:* 14,100.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: May 1, 2007.

**Glenn P. Kirkland,**

*IRS Reports Clearance Officer.*

[FR Doc. E7-8716 Filed 5-7-07; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

[INTL-29-91]

#### Proposed Collection; Comment Request for Regulation Project

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed