

**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's (GM) petition for an exemption of the Chevrolet Sonic 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).

**DATES:** The exemption granted by this notice is effective beginning with model year (MY) 2012.

**FOR FURTHER INFORMATION CONTACT:** Ms. Deborah Mazyck, Office of International Policy, Fuel Economy, and Consumer Standards, NHTSA, 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 December 9, 2010, GM requested an exemption from the parts-marking requirements of the theft prevention standard (49 CFR part 541) for the Chevrolet Sonic vehicle line beginning with MY 2012. 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 an exemption for one vehicle line per model 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 Chevrolet Sonic vehicle line. GM will install a passive, transponder-based, electronic immobilizer device (PASS-Key III+) as standard equipment on its Chevrolet Sonic vehicle line beginning with MY 2012. 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).

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. Components of the antitheft device include an electronically-coded ignition key, an antenna module, a controller module and an engine control module. The ignition key contains electronics molded into the key head, providing billions of possible electronic combinations. The electronics receive energy and data from the controller 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 one of 65,534 "Vehicle Security Passwords" is transmitted to the engine control module to enable fueling and starting of the vehicle. If an invalid key code is received, the PASS-Key III+ controller module will send a "Disable Password" to the engine control module and starting, ignition, and fuel will be inhibited.

In addressing the specific content requirements of 543.6, GM provided information on the reliability and durability of its proposed device. To ensure reliability and durability of the device, GM conducted tests based on its own specified standards. GM stated that the design and assembly processes of the system and components are validated for a vehicle life of 10 years and 150,000 miles of performance. GM also provided a detailed list of the tests conducted used to validate integrity, durability and reliability, and after each test, the components must operate as designed.

GM stated that the PASS-Key III+ system has been designed to enhance the functionality and theft protection provided by GM's first, second and third generation PASS-Key, PASS-key II, and PASS-Key III systems. GM also stated that there is data provided by the American Automobile Manufacturers Association to Docket 97-042; Notice 1, that these systems will be effective in reducing and deterring motor vehicle theft.

GM indicated that the theft rates, as reported by the Federal Bureau of Investigation's National Crime Information Center (NCIC), are lower for exempted GM models equipped with the electronically coded systems which have exemptions from the parts-marking requirements of 49 CFR part 541, than the theft rates for earlier models with similar appearance and construction 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 in PASS-Key III+ and the Keyless Access System, GM believes that these systems will be more effective in deterring theft than the parts-marking requirements of 49 CFR part 541. GM believes that the agency should find that inclusion of the PASS-Key III+ system on all vehicles in the Chevrolet Sonic line is sufficient to qualify this vehicle line for full exemption from the parts-marking requirements.

GM compared the device proposed for its Chevrolet Sonic 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. Specifically, the agency notes that in a previous petition, GM stated that the PASS-Key III+ antitheft device was also installed in the MY 2003 and 2004 Cadillac CTS vehicle line. The Cadillac CTS introduced as a MY 2003 vehicle line has been equipped with the PASS-Key III+ device since the start of production. GM stated that the theft rate experienced by the CTS line with installation of the PASS-Key III+ device demonstrates the effectiveness of the device. The theft rates for the 2003 and 2004 Cadillac CTS exhibit theft rates that are lower than the median theft rate (3.5826) established by the agency. The average theft rate using three model years data for the Cadillac CTS is 0.1906. Additionally, GM stated that the Chevrolet Equinox which has already been granted a parts-marking exemption by the agency is equipped with the PASS-Key III+ device. The average theft rate for the Chevrolet Equinox using three model years data is 1.1202. The agency agrees that the device is substantially similar to devices for which the agency has previously approved exemptions.

Based on the evidence submitted by GM, the agency believes that the antitheft device for the Chevrolet Sonic 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 541).

GM's proposed device lacks an audible or visible alarm. Therefore, this device 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 Chevrolet Corvettes using a passive theft deterrent system along with an audible/visible alarm system to the reduction in theft rates for the Chevrolet Camaro and the Pontiac Firebird models equipped with a passive theft deterrent system 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+ system. Theft data have indicated a decline in theft rates for vehicle lines equipped with comparable devices that have received full exemptions from the parts-marking requirements. In these instances, the agency has concluded that the lack of a audible or visible alarm has not prevented these antitheft devices from being effective protection against theft.

Pursuant to 49 U.S.C. 33106 and 49 CFR 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 antitheft 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 GM has provided adequate reasons for its belief that the antitheft device for the Chevrolet Sonic 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 GM provided about its device.

The agency concludes that the device will 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.

For the foregoing reasons, the agency hereby grants in full GM's petition for exemption for the Chevrolet Sonic vehicle line from the parts-marking requirements of 49 CFR part 541, beginning with the 2012 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 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 parts 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: March 1, 2011.

**Joseph S. Carra,**

*Acting Associate Administrator for Rulemaking.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### Open Meeting for the Electronic Tax Administration Advisory Committee (ETAAC)

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

**ACTION:** Notice of open meeting.

**SUMMARY:** In 1998 the Internal Revenue Service established the Electronic Tax Administration Advisory Committee (ETAAC). The primary purpose of ETAAC is for industry partners to provide an organized public forum for discussion of electronic tax administration issues in support of the overriding goal that paperless filing should be the preferred and most convenient method of filing tax and information returns. ETAAC offers constructive observations about current or proposed policies, programs, and procedures, and suggests improvements. Listed is a summary of the agenda along with the planned discussion topics.

#### Summarized Agenda

8:30 a.m.—Meet and Greet

9 a.m.—Meeting Opens

11 a.m.—Meeting Adjourns

The topics for discussion include:

- (1) ETAAC Security Subcommittee
- (2) Filing Season Status Update
- (3) Overview of ETA Operations

**Note:** Last-minute changes to these topics are possible and could prevent advance notice.

**DATES:** There will be a meeting of the ETAAC on Thursday, March 24, 2011. You must register in advance to be put on a guest list to attend the meeting. This meeting will be open to the public, and will be in a room that accommodates approximately 40 people, including members of ETAAC and IRS officials. Seats are available to members of the public on a first-come, first-served basis. Escorts will be provided so attendees are encouraged to arrive at least 30 minutes before the meeting begins.

**ADDRESSES:** The meeting will be held at the Internal Revenue Service, 1111 Constitution Avenue, NW., Room 2116, Washington, DC 20024.

**FOR FURTHER INFORMATION CONTACT:** You must provide your name in advance for the guest list and be able to show your State-issued picture identification on the day of the meeting. Otherwise, you will not be able to attend the meeting as this is a secured building. To receive a copy of the agenda or general information about the ETAAC, please