

petition is shown in the heading of this notice.

DOT's complete Privacy Act Statement is available for review in a **Federal Register** notice published on April 11, 2000, (65 FR 19477–78).

SUPPLEMENTARY INFORMATION:

I. *Overview:* Autoliv, Inc. (Autoliv), has determined that certain Autoliv seat belt assemblies do not fully comply with paragraph S4.3(j)(2)(i) of Federal Motor Vehicle Safety Standard (FMVSS) No. 209, *Seat Belt Assemblies*. Autoliv filed a noncompliance report dated December 1, 2016, pursuant to 49 CFR part 573, *Defect and Noncompliance Responsibility and Reports*. Autoliv also petitioned NHTSA on December 23, 2016, pursuant to 49 U.S.C. 30118(d) and 30120(h) and 49 CFR part 556, for an exemption from the notification and remedy requirements of 49 U.S.C. Chapter 301 on the basis that this noncompliance is inconsequential as it relates to motor vehicle safety.

This notice of receipt of Autoliv's petition is published under 49 U.S.C. 30118 and 30120 and does not represent any agency decision or other exercise of judgment concerning the merits of the petition.

II. *Seat Belt Assemblies Involved:* Approximately 31,682 Autoliv R230.2 and R200.2 front seat LH10° seat belt assemblies manufactured between May 6, 2016, and October 18, 2016, are potentially involved. Autoliv sold the subject seat belt assemblies to BMW of North America, LLC and Jaguar Land Rover North America, LLC for installation in their vehicles ("affected vehicles").

III. *Noncompliance:* Autoliv explains that the noncompliance is that the Emergency Locking Retractor (ELR) in the subject safety belt assemblies are equipped with a vehicle-sensitive locking mechanism which does not lock as designed when subjected to the requirements of paragraph S4.3(j)(2)(ii) of FMVSS No. 209.

IV. *Rule Text:* Paragraph S4.3 of FMVSS No. 209 states in pertinent part:

S4.3 *Requirements for hardware* . . .

(j) *Emergency-locking retractor* . . .

(2) *For seat belt assemblies manufactured on or after February 22, 2007 and for manufacturers opting for early compliance.* An emergency-locking retractor of a Type 1 or Type 2 seat belt assembly, when tested in accordance with the procedures specified in paragraph S5.2(j)(2) . . .

(ii) Shall lock before the webbing payout exceeds the maximum limit of 25 mm when the retractor is subjected to an acceleration of 0.7 g under the applicable test conditions of S5.2(j)(2)(iii)(A) or (B). The retractor is determined to be locked when the webbing belt load tension is at least 35 N.

V. *Summary of Autoliv's Petition:*

Autoliv described the subject noncompliance and stated its belief that the noncompliance is inconsequential as it relates to motor vehicle safety.

In support of its petition, Autoliv submitted the following reasoning:

(a) *ELR is Voluntarily Equipped with a Webbing Sensitive Locking Mechanism:* The ELR also contains a voluntary webbing sensitive locking mechanism. The webbing sensitive locking mechanism is designed to lock at approximately 1.4–2.0g with no more than 50mm webbing payout. The webbing-sensitive locking mechanism was designed to meet the requirements of other non-US markets.

(b) *Necessary Reliance on Automaker In-Vehicle Assessments to Support Autoliv's Petition:* With regard to the effect of the ELR on the retractor locking performance of the seatbelt, as the equipment manufacturer, Autoliv is not in a position to provide testing and data on in-vehicle performance issues. However, Autoliv has consulted on and reviewed the testing performed by both BMW and JLR and even participated in some of the testing. Autoliv believes the tests substantiate the claims set forth in both the BMW petition and JLR petition. Therefore, Autoliv adopts and incorporates by reference, the test results summarized in both the BMW and JLR petitions.

(c) *Owner Contacts to Autoliv:* Autoliv has not received any contacts from vehicle owners regarding this issue.

(d) *Accidents/Injuries:* Autoliv is not aware of any accidents or injuries that have occurred as a result of this issue.

(e) *Prior NHTSA Rulings re Manufacturer Petitions:* NHTSA previously granted a petition from General Motors (GM) on a very similar issue. [69 FR 19897, Docket No. NHTSA–2002–12366, Apr 14, 2004]. GM provided test results and analyses indicating that while there existed a non-functional vehicle sensitive locking mechanism within the safety belt assembly ELR, the webbing sensitive locking mechanism provided comparable restraint performance to that of a fully functional vehicle sensitive locking mechanism.

(f) *Autoliv Production:* Autoliv production has been corrected to fully conform to FMVSS No. 209 Sections 4.3(j)(2)(i) and (ii).

Autoliv concluded by expressing the belief that the subject noncompliance is inconsequential as it relates to motor vehicle safety, and that its petition to be exempted from providing notification of the noncompliance, as required by 49 U.S.C. 30118, and a remedy for the

noncompliance, as required by 49 U.S.C. 30120, should be granted.

NHTSA notes that the statutory provisions (49 U.S.C. 30118(d) and 30120(h)) that permit manufacturers to file petitions for a determination of inconsequentiality allow NHTSA to exempt manufacturers only from the duties found in sections 30118 and 30120, respectively, to notify owners, purchasers, and dealers of a defect or noncompliance and to remedy the defect or noncompliance. Therefore, any decision on this petition only applies to the subject seat belt assemblies that Autoliv no longer controlled at the time it determined that the noncompliance existed. However, any decision on this petition does not relieve vehicle distributors, equipment distributors and dealers of the prohibitions on the sale, offer for sale, or introduction or delivery for introduction into interstate commerce of the noncompliant safety belt assemblies under their control after Autoliv notified them that the subject noncompliance existed.

Authority: 49 U.S.C. 30118, 30120; delegations of authority at 49 CFR 1.95 and 501.8.

Jeffrey M. Giuseppe,

Director, Office of Vehicle Safety Compliance.

[FR Doc. 2017–09498 Filed 5–10–17; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Petition for Exemption From the Federal Motor Vehicle Theft Prevention Standard; Hyundai America Technical Center, 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 Hyundai America Technical Center, Inc.'s (HATCI) petition for exemption of the Ioniq vehicle line in accordance with the *Exemption from the Theft Prevention Standard*. This petition is granted because the agency has determined that the anti-theft 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 *Federal Motor Vehicle Theft Prevention Standard* (Theft Prevention Standard). Hyundai also requested confidential treatment for specific information in its petition. While official notification

granting or denying its request for confidential treatment will be addressed by separate letter, no confidential information provided for purposes of this document has been disclosed.

DATES: The exemption granted by this notice is effective beginning with the 2017 model year (MY).

FOR FURTHER INFORMATION CONTACT: Ms. Carlita Ballard, International Policy, Fuel Economy and Consumer Programs, NHTSA, West Building, 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 September 8, 2016, Hyundai requested an exemption from the parts-marking requirements of the Theft Prevention Standard for its Ioniq vehicle line beginning with MY 2017. 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 543.5(a), a manufacturer may petition NHTSA to grant an exemption for one vehicle line per model year. In its petition, Hyundai provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for its Ioniq vehicle line. Hyundai stated that the MY 2017 Ioniq will include electric vehicle (EV), hybrid electric vehicle (HEV), and plug-in hybrid electric vehicle (PHEV) models in its vehicle line. Hyundai also stated that it will offer two types of antitheft immobilizer systems on its Ioniq vehicle line. Hyundai further stated that the Ioniq will be installed with an immobilizer device as standard equipment on the entire vehicle line. Specifically, Hyundai stated that the vehicle line will be equipped with either a smart-key type of immobilizer system with alarm or a transponder (non-smart key) type of immobilizer system with alarm as standard equipment. Key components of the smart-key immobilizer system are an engine control unit/engine management system (EMS), vehicle control unit (VCU), smart-key unit (SMK), FOB smart-key, and a low frequency antenna (LF). Key components of the transponder immobilizer system are an engine control unit/engine management system (EMS), FOB folding key, immobilizer control unit, and an antenna coil. Hyundai further stated that it will offer an audible and visual

alarm as standard equipment on the vehicle line.

Hyundai'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.

In addressing the specific content requirements of § 543.6, Hyundai provided information on the reliability and durability of the device. Hyundai conducted and completed component tests for both antitheft immobilizer systems in accordance with the UNECE R-116.00, UNECE R-10.04, Korean standards 41.5.1, 41.5.2, 41.5.3, and Hyundai in-house standards TDP Electronic 02-02-14 and 02-03-25. Hyundai stated that all testing met its standard requirements. Hyundai stated that its smart-key immobilizer system is a push button system that starts or stops the engine through an encrypted authentication and authorization process of communication between the FOB smart-key and the SMK. Hyundai stated that the SMK manages all functions related to the communication between the start/stop button, the FOB key and the VCU or EMS. The SMK communicates with the FOB smart-key by generating an encrypted request as a modulated low frequency signal that the LF antenna outputs to the FOB smart-key. Hyundai stated that when the two encoded keys coincide with each other, the vehicle can be started, stopped and operated in accessory mode. Activation of the smart-key immobilizer system occurs when the start/stop button is pushed to the "OFF" status and when the electronic key code of the FOB key is removed from the smart-key immobilizer control unit or from the vehicle.

According to Hyundai, the smart-key immobilizer system allows the driver/operator to access and operate the vehicle by using a valid FOB key. No other actions by a mechanical key or a remote control unit are required. Hyundai stated that if a valid FOB key is in the range defined by this device, the device will automatically detect and authenticate the FOB via wireless communication between the FOB key and the smart-key immobilizer unit. If communication is authenticated, the device will allow passive accessibility to the doors and/or trunk, and/or passive locking of all the doors. The audible and visual alarm system is also automatically activated when the FOB key is removed from the smart-key immobilizer control unit, all vehicle doors and the hood are closed, and all the doors are locked. If the device is armed and unauthorized entry is

attempted, the vehicle's horn will sound and the hazard lamps will flash.

Hyundai stated that its transponder key immobilizer system is a FOB key immobilizer system that starts or stops the engine through an encrypted authorization process between the FOB key, the immobilizer, and the EMS. Hyundai stated that the system enables the start and stop of the vehicle by insertion of a key into the ignition. Activation of the device occurs when the ignition switch is turned to the "OFF" position. Deactivation occurs when the ignition key is turned to the "ON" position. The transponder in the FOB key transmits an ID code to the immobilizer unit via the immobilizer coil; the EMS then transmits a question code to the immobilizer unit using a serial line. The immobilizer unit then transmits the answer code it received from the FOB key to the EMS. If the key is validated, the EMS enables the engine to start or prevents the engine from starting if the key is not validated.

In support of its petition, Hyundai referenced a JP Research Report on the effectiveness of parts-marking, which looked at the relative effectiveness of parts-marking and antitheft devices. The study concluded that for the 24 model lines used in its analysis, antitheft devices were 70% more effective than parts-marking in deterring theft. Based on the report, Hyundai also referenced the theft rates of other manufacturers' vehicle lines, *i.e.*, the Lincoln Town Car, Mazda MX-5 Miata, Mercedes-Benz E210, and the Mazda 3, that were exempted from the theft prevention standard. Hyundai stated that it believes the report showed that the installation of antitheft devices is at least as effective as complying with parts-marking requirements in reducing and deterring vehicle thefts. The theft rates for these lines using an average of three model years' data (2011-2013) are 1.0557, 0.2148, 0.9883, and 1.3535 respectively.

Based on the evidence submitted by Hyundai, the agency believes that the antitheft device for the Ioniq 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). 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.

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 supporting 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 Hyundai has provided adequate reasons for its belief that the antitheft device for the Hyundai Ioniq 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 Hyundai provided about its device.

For the foregoing reasons, the agency hereby grants in full Hyundai's petition for an exemption for the Ioniq 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 with respect 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 Hyundai 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 541.5 and § 541.6 (marking of major component parts and replacement parts).

NHTSA notes that if Hyundai 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 antitheft 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 antitheft 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 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 CFR 1.95.

Raymond R. Posten,

Associate Administrator for Rulemaking.

[FR Doc. 2017-09510 Filed 5-10-17; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Petition for Exemption From the Federal Motor Vehicle Theft Prevention Standard; Toyota Motor North America, Inc.

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

ACTION: Grant of petition for exemption.

SUMMARY: This document grants in full the Toyota Motor North America, Inc.'s (Toyota) petition for an exemption of the Lexus NX vehicle line in accordance with the *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 *Federal Motor Vehicle Theft Prevention Standard* (Theft Prevention Standard).

DATES: The exemption granted by this notice is effective beginning with the 2018 model year (MY).

FOR FURTHER INFORMATION CONTACT: Ms. Deborah Mazyck, International Policy, Fuel Economy and Consumer Programs, NHTSA, W43-439, 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 7, 2016, Toyota requested an exemption from the parts-

marking requirements of the Theft Prevention Standard for the Lexus NX vehicle line beginning with MY 2018. 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 543.5(a), a manufacturer may petition NHTSA to grant an exemption for one vehicle line per model year. In its petition, Toyota provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the Lexus NX vehicle line. Toyota stated that its MY 2018 Lexus NX vehicle line and NX hybrid vehicle (HV) model will be installed with a "smart entry and start" system and an engine immobilizer device as standard equipment. Toyota further explained that the "smart entry and start" system on its Lexus NX vehicle line will have slightly different components than those on its NX HV model. Key components of the "smart entry and start" system on the Lexus NX vehicle line will include an engine immobilizer, a certification electronic control unit (ECU), engine switch, steering lock ECU, security indicator, door control receiver, electrical key, an electronic control module (ECM) and an ID code box. The key components installed on its NX HV model will also include a power switch and a power source HV-ECU. Toyota stated that it will also install an audible and visual alarm system on its Lexus NX vehicle line as standard equipment and that there will be position switches installed on the vehicle to protect the hood and doors from unauthorized tampering/opening. Toyota further explained locking of the doors can be accomplished through use of a conventional key, wireless switch incorporated within the key fob or its smart entry system, and that unauthorized tampering with the hood or door without using one of these methods will cause the position switches to trigger its alarm system.

Toyota'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.

In addressing the specific content requirements of § 543.6, Toyota provided information on the reliability and durability of its proposed device. To ensure reliability and durability of the device, Toyota conducted tests based on its own specified standards.