

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.*

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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.

Toyota provided a detailed list of the tests conducted (*i.e.*, high and low temperature, strength, impact, vibration, electro-magnetic interference, etc.). Toyota stated that it believes that its device is reliable and durable because it complied with its own specific design standards and the antitheft device is installed on other vehicle lines for which the agency has granted a parts-marking exemption. As an additional measure of reliability and durability, Toyota stated that its vehicle key cylinders are covered with casting cases to prevent the key cylinder from easily being broken. Toyota further explained that the numerous key cylinder combinations and key plates it uses for its inner gutter keys would make it difficult to unlock the doors without using a valid key because the key cylinders would spin out and cause the locks to not work.

Deactivation of its smart key-installed system occurs when the doors are unlocked and the device recognizes the key code. Specifically, once the driver pushes the engine switch button located on the instrument panel to start the vehicle, the certification ECU verifies the electrical key. When the key is verified, the certification ECU, ID code box and steering lock ECU receive confirmation of the valid key, and the certification ECU allows the ECM to start the engine. With the NX HV model “smart entry and start” system, once the driver pushes the power switch button, the certification ECU verifies the key, the certification ECU, ID code box and steering lock ECU receive confirmation of a valid key, and then the certification ECU will allow the ECM to start the vehicle.

Toyota stated that its “smart entry and start” system is activated when the engine switch is pushed from the “ON” ignition status to any other ignition status, the certification ECU performs the calculation of the immobilizer and the immobilizer signals the ECM to activate the device. On the NX HV model, the “smart entry and start” system is activated when the power switch is pushed from the “ON” ignition status to any other ignition status, the certification ECU performs the calculation of the immobilizer and the immobilizer signals the HV-ECU to activate the device.

Toyota stated that the antitheft device has been installed as standard equipment beginning with its MY 2015 Lexus NX vehicle line, including its NX HV model. The theft rate for the Toyota Lexus NX vehicle line is not available. Toyota also compared its proposed device to other devices NHTSA has determined to be as effective in

reducing and deterring motor vehicle theft as would compliance with the parts-marking requirements (*i.e.*, Toyota Camry, Corolla, Prius, RAV4, Highlander, Sienna, Lexus LS, and Lexus GS vehicle lines) which have all been granted parts-marking exemptions by the agency. The theft rates for the Toyota Camry, Corolla, Prius, RAV4, Highlander, Sienna, Lexus LS, and Lexus RX vehicle lines using an average of three model years’ data (2012–Preliminary 2014) are 1.2975, 1.5408, 0.3164, 0.3455, 0.4711, 0.5133, 0.5605 and 0.4574 respectively. Additionally, Toyota compared the theft rate of its MY 2013 Lexus RX (0.4110) to the overall final theft rate (1.1562 per thousand vehicles produced) for MY 2013 passenger vehicles stolen in calendar year 2013 (published in the **Federal Register** on November 23, 2015). Therefore, Toyota has concluded that the antitheft device proposed for its Lexus NX vehicle line is no less effective than those devices on the lines for which NHTSA has already granted full exemption from the parts-marking requirements. Toyota stated that it believes that installing the immobilizer as standard equipment reduces the theft rate and expects the Lexus NX vehicle line to experience comparable effectiveness, and ultimately be more effective than parts-marking labels.

Based on the supporting evidence submitted by Toyota on its device, the agency believes that the antitheft device for the Lexus NX 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). 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 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 Toyota has provided adequate reasons for its belief that the antitheft device for the Toyota Lexus NX 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 Toyota provided about its device.

For the foregoing reasons, the agency hereby grants in full Toyota’s petition for exemption for the Lexus NX 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 Toyota 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 Toyota 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 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 CFR 1.95.

**Raymond R. Posten,**

*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; American Honda Motor Co., 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 American Honda Motor Co., Inc.'s (Honda) petition for exemption of the Acura MDX 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 49 CFR part 541, *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, 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 November 22, 2016, Honda requested an exemption from the parts-marking requirements of the Theft Prevention Standard for the Acura MDX 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 part 543.5(a), a manufacturer may petition NHTSA to grant an exemption for one vehicle line per model year. In its petition, Honda

provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the Acura MDX vehicle line. Honda stated that its vehicle line will offer a front-wheel drive and an all-wheel drive variation. Honda further stated that its MY 2018 Acura MDX vehicle line will be installed with a transponder-based, engine immobilizer antitheft device as standard equipment. Honda also stated that the MDX vehicle line will be equipped with a "smart entry with push button start" ignition system ("smart entry") and an audible and visible vehicle security system as standard equipment on the entire line. Key components of the antitheft device will include a passive immobilizer, "smart entry" remote, powertrain control module (PCM) and an Immobilizer Entry System (IMOES).

Honda'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, Honda provided information on the reliability and durability of its proposed device. To ensure reliability and durability of the device, Honda conducted tests based on its own specified standards. Honda provided a detailed list of the tests it used to validate the integrity, durability and reliability of the device and believes that it follows a rigorous development process to ensure that its antitheft device will be reliable and robust for the life of the vehicle. Honda stated that its device does not require the presence of a "smart entry" remote battery to function nor does it have any moving parts (*i.e.*, the PCM, IMOES, ignition key, "smart entry" remote and the electrical components are found within its own housing units), which it believes reduces the chance for deterioration and wear from normal use.

Honda stated that its immobilizer device is always active without requiring any action from the vehicle operator, until the vehicle is started using a matching "smart entry" remote. Deactivation occurs when a "smart entry" remote with matching codes is placed within operating range and the vehicle is started by pushing the engine start/stop button. Specifically, Honda stated that the immobilizer device automatically checks for the immobilizer code when the "smart entry" remote is within operating range (inside the vehicle, close to the doors or window or in close proximity outside the vehicle's exterior) and the vehicle is

started by pushing the engine start/stop button located to the right of the steering wheel on the vehicle dashboard. The matching code is validated by the IMOES, allowing the engine to start. Honda further states that if a "smart entry" remote without a matching code is placed inside the operating range and the engine start/stop button is pushed, the PCM will prevent fueling and starting of the engine. Additionally, the ignition immobilizer telltale indicator will begin flashing on the meter panel.

Honda stated that it will install an audible and visible vehicle security system as standard equipment on all its MDX vehicles to monitor any attempts of unauthorized entry and to attract attention to an unauthorized person attempting to enter its vehicles without the use of a "smart entry" remote or its built-in mechanical door key. Specifically, Honda stated that whenever an attempt is made to open one of its vehicle doors, hood or trunk without using the "smart entry" remote or turning a key in the key cylinder to disarm the vehicle, the vehicle's horn will sound and its lights will flash. The vehicle security system is activated when all of the doors are locked and the hood and trunk are closed and locked. Honda's vehicle security system is deactivated by using the key fob buttons to unlock the vehicle doors or having the "smart entry" remote within operating range when the operator grabs either of the vehicle's front door handles.

Honda believes that additional levels of reliability, durability and security will be accomplished because its "smart entry" remote will utilize rolling codes for the lock and unlock functions of its vehicles. Honda stated that it will also equip its vehicle line with a hood release located inside the vehicle, counterfeit resistant vehicle identification number (VIN) plates and secondary VINs as standard equipment.

In support of its belief that its antitheft device will be as or more effective in reducing and deterring vehicle theft than the parts-marking requirement, Honda referenced data showing several instances of the effectiveness of its proposed immobilizer device. Honda first installed an immobilizer device as standard equipment on its MY 2001 Acura MDX vehicles and referenced NHTSA's theft rate data for MYs 2003-2012 showing a consistent rate of thefts well below the median of 3.5826 since the installation of its immobilizer device. NHTSA notes that the theft rates for MYs 2013 and 2014 MDX vehicle line are 0.5936 and 0.3209 respectively.