

(3)(i) For new lines to be introduced before the 1997 model year, the manufacturer submits its evaluations and identifications made under paragraphs (c)(1)(i) and (2)(i) of this section, together with the underlying factual information, to NHTSA not less than 18 months before the date of introduction. During this period, the manufacturer may request a meeting with the agency to further explain the bases for its evaluations and conclusions.

(ii) For new lines to be introduced for the 1997 and subsequent model years, the manufacturer shall submit its evaluations and conclusions made under paragraphs (c)(1)(ii) and (2)(ii) of this section, together with the underlying factual information, to NHTSA not less than 15 months before the date of introduction. During this period, the manufacturer may request a meeting with the agency to further explain the bases for its evaluations and conclusions.

(4) Within 90 days after its receipt of the manufacturer's submission under paragraph (c)(3) of this section, the agency considers that submission, if any, and independently makes, on a preliminary basis, the determinations of those lines with likely submedian theft rates which should or should not be subject to §541.5 of this chapter. NHTSA informs the manufacturer by letter of the agency's preliminary determinations, together with the factual information considered by the agency in making them.

(5) The manufacturer may request the agency to reconsider any of its preliminary determinations made under paragraph (c)(4) of this section. The manufacturer must submit its request to the agency within 30 days of its receipt of the letter under paragraph (c)(4) of this section informing it of the agency's evaluations and preliminary determinations. The request must include the facts and arguments underlying the manufacturer's objections to the agency's preliminary determinations. During this 30-day period, the manufacturer may also request a meeting with the agency to discuss those objections.

(6) Each of the agency's preliminary determinations made under paragraph (c)(4) of this section becomes final 45

days after the agency sends the letter specified in that paragraph unless a request for reconsideration has been received in accordance with paragraph (c)(5) of this section. If such a request has been received, the agency makes its final determinations within 60 days of its receipt of the request. NHTSA informs the manufacturer by letter of those determinations and its response to the request for reconsideration.

PART 543—EXEMPTION FROM VEHICLE THEFT PREVENTION STANDARD

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AUTHORITY: 15 U.S.C. 2025, delegation of authority at 49 CFR 1.50.

SOURCE: 52 FR 33829, Sept. 8, 1987, unless otherwise noted.

§543.1 Scope.

This part establishes procedures under section 605 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2025) for filing and processing petitions to exempt lines of passenger motor vehicles from part 541 of this chapter, and procedures for terminating or modifying an exemption.

§543.2 Purpose.

The purpose of this part is to specify the content and format of petitions which may be filed by manufacturers of passenger motor vehicles to obtain an exemption from the parts-marking requirements of the vehicle theft prevention standard for passenger motor vehicle lines which include, as standard equipment, an antitheft device if the agency concludes that the device is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements. This part also provides the procedures that the agency will follow

in processing those petitions and in terminating or modifying exemptions.

§ 543.3 Application.

This part applies to manufacturers of high-theft passenger motor vehicles; and to any interested person who seeks to have NHTSA terminate an exemption.

§ 543.4 Definitions.

(a) *Statutory terms.* All terms defined in sections 2, 601, and 605 of the Motor Vehicle Information and Cost Savings Act are used in accordance with their statutory meanings unless otherwise defined in paragraph (b) of this section.

(b) *Other definitions.*

Line or car line means a name which a manufacturer applies to a group of motor vehicles of the same make which have the same body or chassis, or otherwise are similar in construction or design. A "line" may, for example, include 2-door, 4-door, station wagon, and hatchback vehicles of the same make.

NHTSA means the National Highway Traffic Safety Administration.

§ 543.5 Petition: General requirements.

(a) For each model year through model year 1996, a manufacturer may petition NHTSA to grant exemptions for up to two additional lines of its passenger motor vehicles from the requirements of part 541 of this chapter. For each of model years 1997 through 2000, a manufacturer may petition NHTSA to grant an exemption for one additional line of its passenger motor vehicles from the requirements of part 541 of this chapter.

(b) Each petition filed under this part for an exemption must—

(1) Be written in the English language;

(2) Be submitted in three copies to: Administrator, National Highway Traffic Safety Administration, 400 Seventh Street, SW., Washington, DC 20590;

(3) State the full name and address of the petitioner, the nature of its organization (individual, partnership, corporation, etc.), and the name of the State or country under the laws of which it is organized;

(4) Be submitted at least 8 months before the commencement of production of the lines specified under para-

graph (5) of § 543.5(b) for the first model year in which the petitioner wishes those lines to be exempted, and identify that model year;

(5) Identify the passenger motor vehicle line or lines for which exemption is sought;

(6) Set forth in full the data, views, and arguments of the petitioner supporting the exemption, including the information specified in § 543.6; and

(7) Specify and segregate any part of the information and data submitted which the petitioner requests be withheld from public disclosure in accordance with part 512, *Confidential Business Information*, of this chapter.

[52 FR 33829, Sept. 8, 1987, as amended at 59 FR 10758, Mar. 8, 1994]

§ 543.6 Petition: Specific content requirements.

(a) Each petition for exemption filed under this part must include:

(1) A statement that an antitheft device will be installed as standard equipment on all vehicles in the line for which an exemption is sought;

(2) A list naming each component in the antitheft system, and a diagram showing the location of each of those components within the vehicle;

(3) A discussion that explains the means and process by which the device is activated and functions, including any aspect of the device designed to—

(i) Facilitate or encourage its activation by motorists,

(ii) Attract attention to the efforts of an unauthorized person to enter or move a vehicle by means other than a key,

(iii) Prevent defeating or circumventing the device by an unauthorized person attempting to enter a vehicle by means other than a key,

(iv) Prevent the operation of a vehicle which an unauthorized person has entered using means other than a key, and

(v) Ensure the reliability and durability of the device;

(4) The reasons for the petitioner's belief that the antitheft device will be effective in reducing and deterring motor vehicle theft, including any theft data and other data that are available to the petitioner and form a basis for that belief;

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(5) The reasons for the petitioner's belief that the agency should determine that the antitheft device is likely to be as effective as compliance with the parts-marking requirements of part 541 in reducing and deterring motor vehicle theft, including any statistical data that are available to the petitioner and form a basis for petitioner's belief that a line of passenger motor vehicles equipped with the antitheft device is likely to have a theft rate equal to or less than that of passenger motor vehicles of the same, or a similar, line which have parts marked in compliance with part 541.

(b) Any petitioner submitting data under paragraph (a) (4) or (5) of this section shall submit an explanation of its belief that the data are sufficiently representative and reliable to warrant NHTSA's reliance upon them.

[52 FR 33829, Sept. 8, 1987, as amended at 59 FR 10758, Mar. 8, 1994]

§ 543.7 Processing an exemption petition.

(a) NHTSA processes any complete petition. If a manufacturer submits a petition that does not contain all the information required by this part, NHTSA informs the manufacturer of the areas of insufficiency and advises the manufacturer that the agency does not process the petition until it receives the required information.

(b) The agency grants a petition for an 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.

(c) The agency issues its decision either to grant or deny an exemption petition not later than 120 days after the date on which a complete petition is filed.

(d) Any exemption granted under this part applies only to the vehicle line or lines that are the subject of the grant, and are equipped with the antitheft device on which the line's exemption was based.

(e) An exemption granted under this part is effective for the model year be-

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ginning after the model year in which NHTSA issue the notice of exemption, unless the notice of exemption specifies a later model year.

(f) NHTSA publishes a notice of its decision to grant or deny an exemption petition in the FEDERAL REGISTER, and notifies the petitioner in writing of the agency's decision.

§ 543.8 Duration of exemption.

Each exemption under this part continues in effect unless it is modified or terminated under § 543.9, or the manufacturer ceases production of the exempted line.

§ 543.9 Terminating or modifying an exemption.

(a) On its own initiative or in response to a petition, NHTSA may commence a proceeding to terminate or modify any exemption granted under this part.

(b) Any interested person may petition the agency to commence a proceeding to terminate or modify an exemption.

(c)(1) In a petition to terminate an exemption, the petitioner must:

(i) Identify the vehicle line or lines that are the subject of the exemption;

(ii) State the reasons for petitioner's belief that the standard equipment antitheft device installed under the exemption is not as effective as compliance with the parts-marking requirements of part 541 in reducing and deterring motor vehicle theft;

(iii) Comply with § 543.5, paragraphs (b) (1) through (3) and (7).

(2) In a petition to modify an exemption, the petitioner must:

(i) Identify the vehicle line or lines that are the subject of the exemption;

(ii) Request permission to use an antitheft device similar to, but different from the standard equipment antitheft device which is installed under the exemption;

(iii) Comply with § 543.5, paragraphs (b) (1) through (3) and (7); and

(iv) Provide the same information for the modified device that is required under § 543.6 for a new device, except that the information specified by § 543.6(a)(3) need be provided only to the extent that the modified device differs from the standard equipment

antitheft device installed under the exemption.

(d) NHTSA processes any complete petition. If a person submits a petition under this section that does not contain all the information required by it, NHTSA informs the manufacturer of the areas of insufficiency and advises the manufacturer that the agency does not process the petition until it receives the required information.

(e) If NHTSA denies a petition requesting a proceeding to terminate or modify an exemption, the agency notifies the petitioner by letter.

(f) If NHTSA commences a termination proceeding on its own initiative or in response to a petition, the agency provides the manufacturer of the exempted line with a copy of the petition, if any, a written statement of NHTSA's reasons for commencing the proceeding, and an opportunity to present its written views.

(g)(1) The agency terminates an exemption if it determines that the antitheft device installed under the exemption has not been as effective as parts-marking in reducing and deterring motor vehicle theft.

(2) Except as provided in paragraph (g)(3) of this section, a decision to terminate an exemption under this section takes effect on the later of the following dates:

(i) The last day of the model year in which NHTSA issues the termination decision, or

(ii) Six months after the manufacturer receives written notice of the termination.

(3) If a manufacturer shows good cause why terminating its exemption effective on a date later than the one specified in paragraph (g)(2) of this section is consistent with the public interest and the purposes of the Act, the agency may set such later date.

(h)(1) The agency modifies an exemption if it determines, based on substantial evidence, that the modified antitheft device described in the petition is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of part 541.

(2)(i) Except as provided in paragraph (h)(2)(ii) of this section, a decision to modify an exemption under this sec-

tion takes effect on the first day of the model year following the model year in which NHTSA issued the modification decision.

(ii) If a manufacturer shows good cause why modifying its exemption effective on a date earlier than the one specified in paragraph (h)(2)(i) of this section is consistent with the public interest and the purposes of the Act, the agency may set such earlier date.

(i) [Reserved]

(j) NHTSA publishes notice in the FEDERAL REGISTER of any agency decision terminating or modifying an exemption, and notifies the affected manufacturer in writing.

PART 544—INSURER REPORTING REQUIREMENTS

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- 544.1 Scope.
- 544.2 Purpose.
- 544.3 Application.
- 544.4 Definitions.
- 544.5 General requirements for reports.
- 544.6 Contents of insurer reports.
- 544.7 Incorporating previously filed documents.

APPENDIX A TO PART 544—INSURERS OF MOTOR VEHICLE INSURANCE POLICIES SUBJECT TO THE REPORTING REQUIREMENTS IN EACH STATE IN WHICH THEY DO BUSINESS

APPENDIX B TO PART 544—ISSUERS OF MOTOR VEHICLE INSURANCE POLICIES SUBJECT TO THE REPORTING REQUIREMENTS ONLY IN DESIGNATED STATES

APPENDIX C TO PART 544—MOTOR VEHICLE RENTAL AND LEASING COMPANIES (INCLUDING LICENSEES AND FRANCHISEES) SUBJECT TO THE REPORTING REQUIREMENTS OF PART 544

AUTHORITY: 49 U.S.C. 33112; delegation of authority at 49 CFR 1.50.

SOURCE: 52 FR 76, Jan. 2, 1987, unless otherwise noted.

§ 544.1 Scope.

This part sets forth requirements for insurers to report to the National Highway Traffic Safety Administration information about motor vehicle thefts and recoveries, the effects of the Federal motor vehicle theft prevention standard on those thefts and recoveries, and related insurance practices.