

SUPPORTING STATEMENT
FOR
49 CFR PART 543, EXEMPTION FROM VEHICLE
THEFT PREVENTION STANDARD
(OMB Clearance Number 2127-0542)

Abstract¹

49 U.S.C. Chapter 331 requires the Secretary of Transportation to promulgate a theft prevention standard to provide for the identification of certain motor vehicles and their major replacement parts (parts-marking) to impede motor vehicle theft. 49 U.S.C. 33106 provides that a manufacturer may petition for an exemption from this identification process for a certain line of motor vehicles equipped with standard original equipment anti-theft devices, which the Secretary determines are likely to be as effective in reducing or deterring theft as parts-marking would be.

49 CFR Part 543 establishes the procedures whereby manufacturers of vehicles subject to the Part 541 parts-marking requirements (Theft Prevention Standard) may petition the National Highway Traffic Safety Administration (NHTSA) for one exemption per model year, provided the certain motor vehicle line is equipped with an anti-theft device as standard equipment that meets agency criteria and is as effective as identifying marks required under Part 541. There are two processes for obtaining an exemption from the Theft Prevention Standard. The first process, found at 49 CFR 543.6, provides specific content requirements for petition requests. The second process, found at 49 CFR 543.7, requires manufacturers to submit a statement that the entire line of vehicles is equipped with an immobilizer, as standard equipment, that meets one of four performance standards. The specific information required to be included in a petition by a manufacturer requesting an exemption is used by NHTSA in deciding whether to grant the exemption from Part 541 parts-marking.

The Federal Register Notice with a 60-day comment period for approval of a reinstatement of this previously approved information collection was published on August 20, 2020 (85 FR 51548). The agency received no comments. The number of total burden hours decreased from 2,100 to 2,094. This slight decrease is due to a change in rounding when calculating the number of burden hours. The last collection also estimated the burden as 2,094 hours, but rounded up to 2,100 hours.

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify any legal and administrative requirements that necessitate the collection. Attach a copy of the appropriate statute or regulation mandating or authorizing the collection of information.

1 The Abstract must include the following information: (1) whether responding to the collection is mandatory, voluntary, or required to obtain or retain a benefit; (2) a description of the entities who must respond; (3) whether the collection is reporting (indicate if a survey), recordkeeping, and/or disclosure; (4) the frequency of the collection (e.g., bi-annual, annual, monthly, weekly, as needed); (5) a description of the information that would be reported, maintained in records, or disclosed; (6) a description of who would receive the information; (7) the purpose of the collection; and (8) if a revision, a description of the revision and the change in burden.

49 U.S.C. Chapter 331 requires the Secretary of Transportation to promulgate a theft prevention standard to provide for the identification of certain motor vehicles and their major replacement parts to impede motor vehicle theft. 49 U.S.C. 33106 provides for an exemption to this identification process by petitions from manufacturers who equip covered vehicles with standard original equipment anti-theft devices, which the Secretary determines are likely to be as effective in reducing or deterring theft as the identification system.

Through delegation of authority, NHTSA established the theft prevention standard at 49 CFR Part 541, which specifies performance requirements for identifying numbers or symbols (generally the vehicle identification number (VIN)) to be placed on major parts of all passenger vehicles subject to the theft prevention standard. 49 CFR Part 543, Exemption from Vehicle Theft Prevention Standard, sets out the procedure for filing and processing petitions to exempt certain lines of motor vehicles equipped with standard original equipment antitheft devices from the parts-marking requirements. The information collected in the exemption petition aids the agency in making the determination that an anti-theft device is likely to be as effective in reducing or deterring theft as identifying numbers or symbols required in Part 541.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

Petitions for exemptions are submitted by manufacturers that have determined that a vehicle line is equipped with, as standard equipment, anti-theft devices which the manufacturer believes will meet the established minimum capabilities as promulgated in the Theft Prevention Standard. Each manufacturer may only receive an exemption from the Theft Prevention Standard for one vehicle line per model year.

There are two processes for obtaining an exemption from the Theft Prevention Standard. The first process, found at 49 CFR 543.6, provides specific content requirements for petition requests. Section 543.6 requires manufacturer to submit: (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 facilitate or encourage its activation by motorists, attract attention to the efforts of an unauthorized person to enter or move the vehicle by means other than a key, prevent defeating or circumventing the device by an unauthorized person attempting to enter a vehicle by means other than a key, prevent the operation of a vehicle which an unauthorized person has entered using means other than a key, and 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 the basis for that belief; (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 similar, line which have parts marked in compliance with Part 541.

The second process, found at 49 CFR 543.7, was established in 2016 (81 FR 66833) in recognition of the effectiveness of immobilizer anti-theft devices at deterring theft. Section 543.7 provides a streamlined process for granting petitions for vehicles equipped with immobilizers that comply with the performance criteria for immobilizers to allow manufacturers who are installing immobilizers in compliance with specified standards to more easily obtain an exemption from the Theft Prevention Standard. Section 543.7 requires manufacturers to submit a statement that the entire line of vehicles is equipped with an immobilizer, as standard equipment, that meets one of the following: (1) the performance criteria (subsections 8 through 21) of C.R.C, c. 1038.114, Theft Protection and Rollaway Prevention (in effect March 30, 2011), as excerpted in appendix A of this part; (2) National Standard of Canada CAN/ULC-S338-98, Automobile Theft Deterrent Equipment and Systems: Electronic Immobilization (May 1998); (3) United Nations Economic Commission for Europe (UN/ECE) Regulation No. 97 (ECE R97), Uniform Provisions Concerning Approval of Vehicle Alarm System (VAS) and Motor Vehicles with Regard to Their Alarm System (AS) in effect August 8, 2007; or (4) UN/ECE Regulation No. 116 (ECE R116), Uniform Technical Prescriptions Concerning the Protection of Motor Vehicles Against Unauthorized Use in effect on February 10, 2009. Manufacturers must also submit documentation kept demonstrating that the device conforms with the performance criteria and a statement that the immobilizer device is durable and reliable.

Under Part 543, manufacturers choose between the factors listed in either § 543.6 (specific content requirements) or § 543.7 (performance criteria) to demonstrate to the agency that the anti-theft device they are installing in a vehicle line meets the standard under § 33106.

This information will be used by NHTSA in exercising its delegated authority to grant exemptions from the vehicle identification requirements of 49 CFR Part 541. The statute requires, in Section 33106, that these exemptions be granted in whole or in part, based on "substantial evidence." Without this information, no exemption would be available from the parts-marking requirements and manufacturers would be required to identify parts on all vehicle lines designated for identification.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and

the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

49 CFR Part 543 requires automobile manufacturers to submit copies of their petitions to the NHTSA in Washington, D.C.; however, NHTSA permits manufacturers to submit the information by email or on computer disks (using a NHTSA-approved format) to minimize the burden as long as the required reports are provided. Manufacturers have chosen to submit this information to NHTSA in hard copy form.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.

This information is not required by any other law or standard and would not be available without this regulation. This agency is the only agency authorized to grant an exemption from the requirements of the Theft Prevention Standard based on the manufacturer's petition. No similar information is currently available.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The agency believes that few, if any, small entities will be affected by this rule. No vehicle manufacturers are required to submit this information. Only businesses that manufacture vehicles and wish to petition for an exemption, under section 33106, from the identification requirements of the Theft Prevention Standard must submit the information required in the petition. Part 541 provides exclusions from the Theft Prevention Standards that likely exclude most, if not all, manufacturers that would be considered small entities from the parts-marking requirements. Specifically, § 541.3 excludes from the parts-marking requirements for vehicles manufactured by a motor vehicle manufacturer that manufactures fewer than 5,000 vehicles for sale in the United States each year and for vehicles in a line with an annual production of not more than 3,500 vehicles. Therefore, few, if any, entities requesting exemptions from the parts-marking requirements under Part 543 would be considered small entities.

Additionally, to allow manufacturers to more easily obtain an exemption, 49 CFR Part 543 was amended to streamline granting petitions for vehicles equipped with immobilizers that are compliant with one of four standards that set performance criteria for immobilizers. Under § 543.7, manufacturers would no longer need to describe in detail how the immobilizer achieves the required aspects of performance; they would only need to state that their immobilizer device conforms to the performance criteria and provide the documentation they maintain to demonstrate that the device conforms with the performance criteria.

6. Describe the consequence to Federal Program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to

reducing burden.

The submittal of this information is a one-time-only submission and is made at the discretion of the manufacturer. If the manufacturer does not submit a petition for exemption under the procedures contained in 49 CFR Part 543, then NHTSA cannot grant exemption from Part 541 and the manufacturer would be required to comply with the parts-marking requirements under Part 541.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
- a. Requiring respondents to report information to the agency more often than quarterly;
 - b. Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
 - c. Requiring respondents to submit more than an original and two copies of any document;
 - d. Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
 - e. In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
 - f. Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
 - g. That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
 - h. Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

None of these special circumstances apply to the information collected under 49 CFR Part 543.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to the comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside the agency to obtain their views.

On August 20, 2020, NHTSA published a 60-day notice requesting public comment on the proposed collection of information. No public comments were received in response to this request. NHTSA is in regular communication with manufacturers that request exemptions under part 543. While NHTSA often provides explanations of how to comply with the requirements, NHTSA has not received feedback indicating that the process is burdensome or that NHTSA's estimates of burdens are incorrect.

On March 16, 2022, NHTSA published a 30-day federal register document (87 FR 14944) announcing NHTSA's intention to submit the information request to OMB and requesting public comment.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No gift or payment will be given to any respondent.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If the collection requires a systems of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.

Part 543 directs petitioners seeking confidential treatment of their submissions to 49 CFR Part 512, which sets forth the procedures for seeking confidentiality.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

No questions of a sensitive nature are involved in this information collection; therefore, no justification statements are necessary.

12. Provide estimates of the hour burden of the collection of information on the respondents and estimates of the annualized labor cost to respondents associated with that hour burden.

The number of submissions under Part 543 varies from year to year, because the submission of an exemption petition is voluntary. Currently 23 manufacturers have one or more car lines exempted. NHTSA estimates that approximately 12 manufacturers will apply in each of the next three years. NHTSA estimated the burden hours associated with the submissions based on information provided by manufacturers. NHTSA estimates that the time needed to prepare the request for a vehicle model is 226 hours for a petition submitted under § 543.6, and 20 hours for a petition submitted under § 543.7. The agency expects that nine manufacturers will choose to file for an exemption under § 543.6 and three manufacturers will choose to file for an exemption under § 543.7.

NHTSA estimates the total annual burden hours to be 2,094 hours. The total annual estimated burden hours consist of the 12 yearly respondents -- 9 under § 543.6 and 3

under § 543.7 -- multiplied by the number of hours needed to prepare the one exemption request for the one vehicle line per year -- 226 hours for § 543.6; 20 hours for § 543.7. The total annual hours for exemption requests filed under § 543.6 is estimated at 2,034 hours (9×226 hours/1 vehicle line = 2,034 hours). The total annual hours for exemption requests filed under § 543.7 is estimated at 60 hours (3×20 hours/1 vehicle line = 60 hours). Therefore, the estimated total of the requests filed under § 543.6 and requests filed under § 543.7 is 2,094 hours ($2,034 + 60 = 2,094$).

The labor cost associated with this collection of information is derived by (1) applying the appropriate average hourly labor rate for “Compliance Officers,” Occupation Code 13-1041, published by the Bureau of Labor Statistics, (2) dividing by 0.701^2 (70.1%) to obtain the total cost of compensation for private industry workers, and (3) multiplying by the estimated labor hours for each exemption type.

Labor cost associated with preparation and submittal of petitions for exemption under § 543.6 is estimated to be \$49.73 per hour ($\34.86^3 per hour $\div 0.701$). The total labor cost to prepare each petition submitted under § 543.6 is estimated to be \$11,238.98 ($\49.73×226 hours per petition), and the labor cost for the estimated 9 petitions that will be submitted each year is estimated to be \$101,150.82 ($\$11,238.98 \times 9$ petitions).

Labor cost associated with preparation and submittal of petitions for exemption under § 543.7 is estimated to be \$49.73 per hour ($\34.86^4 per hour $\div 0.701$). The total labor cost to prepare each petition submitted under § 543.7 is estimated to be \$994.60 ($\49.73×20 hours per petition), and the labor cost for the estimated 3 petitions that will be submitted each year is estimated to be \$2,983.80 ($\994.80×3 petitions).

The total annual labor cost associated with this collection of information is estimated to be \$104,135 ($\$101,151 + \$2,984$) in each of the next three years.

The estimated total annual burden hours and the related total annual cost associated with this information collection is displayed in the below table:

	Average Time per Petition Submittal	Estimated No. of Petitions per Year	Labor Cost Per Hour	Labor Cost Per Petition	Total Annual Hours	Annual Labor Cost
Preparation and Submittal	226 hrs	9	\$49.73	\$11,238.98	2,034	

2 See Table 1 at <https://www.bls.gov/news.release/ecec.t01.htm>.

3 May 2018 National Occupational Employment and Wage Estimates, United States. *Business and Financial Operations Occupations, Compliance Officers, Occupation Code 13-1041*; Mean Hourly Wage = \$34.86. https://www.bls.gov/oes/current/oes_nat.htm. Accessed Mar. 9, 2020. The total labor cost per hour is calculated by dividing the hourly wage (\$34.86) by .701

4 May 2018 National Occupational Employment and Wage Estimates, United States. *Business and Financial Operations Occupations, Compliance Officers, Occupation Code 13-1041*; Mean Hourly Wage = \$34.86. https://www.bls.gov/oes/current/oes_nat.htm. Accessed Mar. 9, 2020.

of Petition for Exemption under § 543.6						\$101,150.82 or \$101,151
Preparation and Submittal of Petition for Exemption under § 543.7	20 hrs	3	\$49.73	\$994.60	60	\$2,983.80 or \$2,984
Total		12			2,094	\$104,135

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. Do not include the cost of any hour burden already reflected in the response provided in question 12.

NHTSA estimates that compiling and submitting the petitions for exemptions will not result in any additional costs to the respondents.

14. Provide estimates of annualized costs to the Federal government. Provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.

Processing the petitions is expected to take approximately 30% of one federal employee's time. Using the salary of a GS-12, Step 5, in Washington, DC, NHTSA estimates the cost of processing the petitions to be \$29,354.40 per year ($\$97,848 \times 0.30$).

15. Explain the reasons for any program changes or adjustments reported on the burden worksheet. If this is a new collection, the program change will be entire burden cost and number of burden hours reported in response to questions 12 and 13. If this is a renewal or reinstatement, the change is the difference between the new burden estimates and the burden estimates from the last OMB approval.

This is a reinstatement of a previously approved collection resulting in a program change increasing NHTSA's total burden hours by 2,094. When NHTSA last sought approval, it estimated the total burden hours to be 2,100. NHTSA now estimates the burden to be 2,094. This slight decrease is due to a change in rounding when calculating the number of burden hours. The last collection also estimated the burden as 2,094 hours, but rounded up to 2,100 hours.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of

the collection of information, completion of report, publication dates, and other actions as applicable.

NHTSA publishes its decision to either grant or deny petitions for exemption in the Federal Register and periodically issues final rules to update a table of exempted vehicle lines in Appendix A-I of Part 541.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Approval is sought to not display the expiration date for OMB approval because the information collection is contained in a Federal regulation and displaying the expiration date would require rulemaking.

18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions." The required certifications can be found at 5 CFR 1320.9.

No exceptions to the certification statement are made.