



## National Highway Traffic Safety Administration

### Petition for Exemption from the Federal Motor Vehicle Theft Prevention Standard; Ford Motor Company

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

**ACTION:** Grant of petition for exemption.

**SUMMARY:** This document grants in full the Ford Motor Company (Ford) petition for exemption from the Federal Motor Vehicle Theft Prevention Standard (theft prevention standard) for its confidential vehicle line beginning in model year (MY) 2022. The 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. Ford also requested confidential treatment for specific information in its petition. Therefore, no confidential information provided for purposes of this notice has been disclosed.

**DATES:** The exemption granted by this notice is effective beginning with the 2022 model year.

**FOR FURTHER INFORMATION CONTACT:** Carlita Ballard, Office of International Policy, Fuel Economy, and Consumer Programs, NHTSA, West Building, W43-439, NRM-310, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. Ms. Ballard's phone number is (202) 366-5222. Her fax number is (202) 493-2990.

**SUPPLEMENTARY INFORMATION:** Under 49 U.S.C. chapter 331, the Secretary of Transportation (and the National Highway Traffic Safety Administration (NHTSA) by delegation) is required 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. NHTSA promulgated regulations at 49 CFR part 541 (theft prevention standard) to require parts-marking for specified passenger motor vehicles and light trucks. Pursuant to 49 U.S.C. 33106,

manufacturers that are subject to the parts-marking requirements may petition the Secretary of Transportation for an exemption for a line of passenger motor vehicles equipped with an antitheft device as standard equipment that the Secretary decides is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements. In accordance with this statute, NHTSA promulgated 49 CFR part 543, which establishes the process through which manufacturers may seek an exemption from the theft prevention standard.

49 CFR 543.5 provides general submission requirements for petitions and states that each manufacturer may petition NHTSA for an exemption of one vehicle line per model year. Among other requirements, manufacturers must identify whether the exemption is sought under section 543.6 or section 543.7. Under section 543.6, a manufacturer may request an exemption by providing specific information about the antitheft device, its capabilities, and the reasons the petitioner believes the device to be as effective at reducing and deterring theft as compliance with the parts-marking requirements. Section 543.7 permits a manufacturer to request an exemption under a more streamlined process if the vehicle line is equipped with an antitheft device (an “immobilizer”) as standard equipment that complies with one of the standards specified in that section.

Section 543.8 establishes requirements for processing petitions for exemption from the theft prevention standard. As stated in section 543.8(a), NHTSA processes any complete exemption petition. If NHTSA receives an incomplete petition, NHTSA will notify the petitioner of the deficiencies. Once NHTSA receives a complete petition the agency will process it and, in accordance with section 543.8(b), will grant the petition 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.

Section 543.8(c) requires NHTSA to issue its decision either to grant or to deny an exemption petition not later than 120 days after the date on which a complete petition is filed. If

NHTSA does not make a decision within the 120-day period, the petition shall be deemed to be approved and the manufacturer shall be exempt from the standard for the line covered by the petition for the subsequent model year.<sup>1</sup> Exemptions granted under part 543 apply only to the vehicle line or lines that are subject to the grant and that are equipped with the antitheft device on which the line's exemption was based, and are effective for the model year beginning after the model year in which NHTSA issues the notice of exemption, unless the notice of exemption specifies a later year.

Sections 543.8(f) and (g) apply to the manner in which NHTSA's decisions on petitions are to be made known. Under section 543.8(f), if the petition is sought under section 543.6, NHTSA publishes a notice of its decision to grant or deny the exemption petition in the Federal Register and notifies the petitioner in writing. Under section 543.8(g), if the petition is sought under section 543.7, NHTSA notifies the petitioner in writing of the agency's decision to grant or deny the exemption petition.

This grant of petition for exemption considers Ford Motor Corporation's (Ford) petition for its confidential vehicle line beginning in MY 2022.

#### **I. Specific Petition Content Requirements under 49 CFR 543.6**

Pursuant to 49 CFR part 543, Exemption from Vehicle Theft Prevention, Ford petitioned for an exemption for its specified vehicle line from the parts-marking requirements of the theft prevention standard, beginning in MY 2022. Ford petitioned under 49 CFR 543.6, Petition: Specific content requirements, which, as described above, requires manufacturers to provide specific information about the antitheft device installed as standard equipment on all vehicles in the line for which an exemption is sought, the antitheft device's capabilities, and the reasons the petitioner believes the device to be as effective at reducing and deterring theft as compliance with the parts-marking requirements.

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<sup>1</sup> 49 U.S.C. 33106(d).

More specifically, section 543.6(a)(1) requires petitions to include a statement that an antitheft device will be installed as standard equipment on all vehicles in the line for which the exemption is sought. Under section 543.6(a)(2), each petition must list each component in the antitheft system, and include a diagram showing the location of each of those components within the vehicle. As required by section 543.6(a)(3), each petition must include an explanation of the means and process by which the device is activated and functions, including any aspect of the device designed to: (1) facilitate or encourage its activation by motorists; (2) attract attention to the efforts of an unauthorized person to enter or move a vehicle by means other than a key; (3) prevent defeating or circumventing the device by an unauthorized person attempting to enter a vehicle by means other than a key; (4) prevent the operation of a vehicle which an unauthorized person has entered using means other than a key; and (5) ensure the reliability and durability of the device.<sup>2</sup>

In addition to providing information about the antitheft device and its functionality, petitioners must also submit the reasons for their 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,<sup>3</sup> and the reasons for their 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. In support of this belief, the petitioners should include any statistical data that are available to the petitioner and form the basis for the 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.<sup>4</sup>

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<sup>2</sup> 49 CFR 543.6(a)(3).

<sup>3</sup> 49 CFR 543.6(a)(4).

<sup>4</sup> 49 CFR 543.6(a)(5).

The following sections describe Ford's petition information provided pursuant to 49 CFR part 543, Exemption from Vehicle Theft Prevention. To the extent that specific information in Ford's petition is subject to a properly filed confidentiality request, that information was not disclosed as part of this notice.<sup>5</sup>

## **II. Ford's Petition for Exemption**

In a petition dated November 26, 2020 and updated on April 30, 2021,<sup>6</sup> Ford requested an exemption from the parts-marking requirements of the theft prevention standard for its confidential vehicle line beginning with MY 2022.

In its petition, Ford provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the confidential vehicle line. Ford stated that its MY 2022 confidential vehicle line will be installed with a passive, transponder based, electronic engine immobilizer antitheft device as standard equipment. Specifically, Ford stated that its vehicle line will be installed with the SecuriLock Passive Antitheft Engine Immobilizer System (PATS). Key components of its SecuriLock antitheft device will include a key, powertrain control module (PCM) or hybrid powertrain control module (HPCM), body control module (BCM), radio transceiver module and an anti-lock braking system module (ABS). Ford also stated that its vehicle line will be equipped with a hood release, counterfeit resistant VIN label, secondary VINs inscribed on the body and a cabin accessible with a valid keycode as standard antitheft features.

Ford also stated that it will offer its intelligent access with push button start (IAWPB) system as optional equipment. For purposes of the theft prevention standard, NHTSA generally only considers the antitheft device equipped on the vehicle as standard equipment. However in this case, while the SecuriLock PATS and IAWPB systems are mutually exclusive antitheft

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<sup>5</sup> 49 CFR 512.20(a).

<sup>6</sup> As discussed above, per 49 CFR 543.8(a), NHTSA processes the petition once the manufacturer submits all the information required by 49 CFR part 543.

systems, NHTSA has previously approved the IAWPB antitheft system as standard equipment for the Ford Bronco Sport vehicle line. The IAWPB system is described in the grant of petition for exemption published in the *Federal Register* on August 12, 2020.<sup>7</sup>

Pursuant to section 543.6(a)(3), Ford explained that its SecuriLock system is activated when the ignition key is turned to the start position allowing the transceiver module to read the ignition key code and transmit an encrypted message from the key code to the instrument cluster, this encrypted message will then determine that the key is valid and will authorize the engine to start by sending a separate encrypted message to the PCM or the HPCM. Ford also stated that the powertrain will only function if the key code matches the unique identification key code that was previously programmed into the PCM/HPCM. If the codes do not match, the engine starter, ignition spark and the fuel will be disabled, once active, no other action from the operator is required. Ford further stated that the integration of the transponder into the normal operation of the ignition key assures activation of the system. Deactivation of the immobilizer system occurs automatically each time an engine start occurs.

As required in section 543.6(a)(3)(v), Ford provided information on the reliability and durability of its proposed device. To ensure reliability and durability of the device, Ford conducted tests based on its own specified standards. Ford provided a detailed list of the tests conducted. Additionally, Ford stated that its device is extremely reliable and durable because several features make it difficult to defeat with communications between the SecuriLock transponder and the PCM/HPCM that are encrypted because there are 18 quintillion ( $1.8 \times 10^{19}$ ) different possible codes making a successful key duplication by chance virtually impossible. Also, the SecuriLock system and the PCM/HPCM share security data immediately when first installed during vehicle assembly, forming matched modules. Ford further stated that mechanically overriding the system is not possible; for example, slam-pulling the ignition lock

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<sup>7</sup> 85 FR 48759 (Aug. 12, 2020).

cylinder will not allow unauthorized start of the vehicle without the correct code being transmitted to the electronic control module. Ford stated that the system is extremely reliable and durable because there are no moving parts. Ford further stated that its sophisticated design and operation of the SecuriLock's electronic engine immobilizer system makes conventional theft methods ineffective (e.g., hot-wiring or attacking the ignition lock cylinder) and drive away thefts are virtually eliminated with this system.

Ford referenced National Insurance Crime Bureau (NICB) data for the Ford EcoSport (a vehicle size and segment comparable to the line covered by this petition), which showed 2 thefts per thousand vehicles since the EcoSport's production start. The Ford EcoSport was granted an exemption for its MY 2018 vehicles (See 82 FR 22060, May 11, 2017). Ford also stated that its SecuriLock system installed on its confidential vehicle line is similar in design and implementation to the system offered on the MY 2021 Ford Bronco Sport vehicle line, which is detailed in the August 2020 notice discussed above. Ford further stated that its sophisticated design and operation of its SecuriLock immobilizer system renders ineffective conventional theft methods, such as hot-wiring the ignition cylinder and drive away thefts are virtually eliminated with this antitheft system. Ford concluded that they believed the vehicle line covered by the petition will have a very low theft rate based on the theft rate of the Ford EcoSport, a vehicle of a similar size with similar equipment.

### **III. Decision to Grant the Petition**

Pursuant to 49 U.S.C. 33106 and 49 CFR 543.8(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 Ford has provided adequate reasons for its belief that the antitheft device for its 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. This conclusion is based on the information Ford provided about its antitheft device. NHTSA believes, based on Ford's supporting evidence, that the antitheft device described for its 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.

The agency concludes that Ford's antitheft device will provide four types of performance features listed in section 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.

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 543.8(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 Ford decides not to use the exemption for its requested vehicle line, the manufacturer must formally notify the agency. If such a decision is made, the 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 Ford 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 543.8(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, section 543.10(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 the exemption."

The agency wishes to minimize the administrative burden that section 543.10(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 Ford 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.

For the foregoing reasons, the agency hereby grants in full Ford's petition for exemption for the confidential vehicle line from the parts-marking requirements of 49 CFR part 541, beginning with its MY 2022 vehicles.

Issued under authority delegated in 49 CFR 1.95 and 501.8.

**Raymond R. Posten,**

*Associate Administrator for Rulemaking*

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