

Mr. Arnold Johnson
Chief Executive Officer
Lotus Cars USA, Inc.
500 Marathon Parkway
Lawrenceville, GA 30045

NSA-11kjs
01E-016

Dear Mr. Johnson:

We have reviewed the Lotus Cars USA, Inc.'s (Lotus) Defect Information Report dated April 12, 2001, submitted in accordance with 49 CFR Part 573, "Defect and Noncompliance Reports." This recall involves 520 V Model Year 1997 through 2001 Lotus Esprit vehicles built between September 1, 1995, and March 31, 2001. A replacement passenger seat belt assembly could have been installed in certain vehicles that do not comply with Federal Motor Vehicle Safety Standard No. 208, "Occupant Crash Protection." These seat belt assemblies were manufactured without a lap portion that is lockable so as to secure a child safety seat. If an incorrect belt was installed, the seat belt will not be capable of securing a child seat, which could result in death or serious injury to the seat occupant. *The assigned NHTSA identification number for this campaign is 01E-016.*

Lotus is responsible for the remedy of this equipment from this date forward, regardless of age or ownership.

QUARTERLY REPORTS

As stated in Part 573.6, submission of the first of six consecutive quarterly status reports is required within one month after the close of the calendar quarter in which notification to purchasers occurs. The calendar quarter began on April 1 and ends on June 30, 2001. Since owner notification will begin during this time period, your first quarterly report is due in this office by July 30, 2001.

The following chart provides due dates for each of the six quarterly reports.

| <u>QUARTER</u> | <u>QUARTER BEGINS</u> | <u>QUARTER ENDS</u> | <u>DUE DATE</u> |
|-------------------------|------------------------------|----------------------------|------------------------|
| 1 st Quarter | April 1, 2001 | June 30, 2001 | July 30, 2001 |
| 2 nd Quarter | July 1, 2001 | September 30, 2001 | October 30, 2001 |
| 3 rd Quarter | October 1, 2001 | December 31, 2001 | January 30, 2002 |
| 4 th Quarter | January 1, 2002 | March 31, 2002 | April 30, 2002 |
| 5 th Quarter | April 1, 2002 | June 30, 2002 | July 30, 2002 |
| 6 th Quarter | July 1, 2002 | September 30, 2002 | October 30, 2002 |

If you have any questions, please contact Mrs. Kelly Schuler at (202) 366-5227 or fax at (202) 366-7882.

Sincerely,

Jonathan D. White, Chief
Defect and Recall Information Analysis Division
Office of Defects Investigation
Safety Assurance

APR 19 2001

**INITIAL ACKNOWLEDGMENT FAX SHEET OF RECEIPT OF
DEFECT INFORMATION REPORT SUBMITTED UNDER 49 CFR PART 573**

Assigned Recall No. 01E-016 by the
National Highway Traffic Safety Administration

Part 573 Report Date: April 12, 2001

MANUFACTURER: Lotus Cars USA, Inc.

MANUFACTURER CONTACT: Mr. Arnold Johnson

FAX: 770-995-7698

SUBJECT: 520 Model Year 1997 through 2001 Lotus Esprit vehicles built between September 1, 1995, and March 31, 2001. A replacement passenger seat belt assembly could have been installed in certain vehicles that do not comply with Federal Motor Vehicle Safety Standard No. 208, "Occupant Crash Protection." These seat belt assemblies were manufactured without a lap portion that is lockable so as to secure a child safety seat. If an incorrect belt was installed, the seat belt will not be capable of securing a child seat, which could result in death or serious injury to the seat occupant.

NOTIFICATION TO PURCHASERS

We have reviewed Lotus Cars USA, Inc.'s (Lotus) proposed owner notification letter and it does not meet the requirements of 49 CFR Part 577.

The draft notification letter provided by Lotus states that a "... defect which relates to motor vehicle safety may exist"

Part 577.5(c) requires that the manufacturer who has determined a **safety defect/ noncompliance exists** in its motor vehicles or items of motor vehicle equipment must state that the defect or noncompliance does exist in its motor vehicles or items of motor vehicle equipment specifically using one of the two sentences provided in Part 577.5(c) as appropriate. You cannot state that the defect or noncompliance "**may**" exist (or use any other similar word such as could, might, can, etc.). The word "**may**" implies that the defect **may not exist** on any of the vehicles and is considered to be a disclaimer specifically prohibited by Part 577.8(a).

The requirements of Part 577.5 must be adhered to, with particular attention given to the language stipulated in Part 577.5(b) and (c). The sentence referred to in Part 577.5(b) must be repeated verbatim in the opening of the notification letter.

Also, in the second sentence, paragraph one, the term "defect" should be changed to refer to the noncompliance. For example:

"Lotus Cars Ltd., has decided that certain replacement seat belt assemblies for use in 1997 through 2001 Lotus Esprit vehicles fail to conform to Federal Motor Vehicle Safety Standard No. 208, "Occupant Crash Protection."

Please provide us with a revised owner notification letter prior to mailing to the customers for our records.

This is an initial acknowledgment for this recall. A formal acknowledgment letter will be forthcoming shortly. After our review of your report and associated documents, we may have additional comments or concerns.

If you have any questions, please call:

Kelly Schuler, Safety Defect Analyst or Jonathan White, Chief
at (202) 366-5227 or by FAX (202) 366-7882
Defect and Recall Information Analysis Division

Faxed on 4/19/01

APR 23 2001

**ACKNOWLEDGMENT FAX SHEET OF RECEIPT OF
THE PROPOSED OWNER NOTIFICATION LETTER SUBMITTED UNDER 49
CFR PART 577**

Assigned Recall No. 01E-016 by the
National Highway Traffic Safety Administration

Part 577 Report Date: April 23, 2001

MANUFACTURER: Lotus Cars USA, Inc.

MANUFACTURER CONTACT: Mr. Dwayne M. Shumate

FAX: 770-995-7698

SUBJECT: 520 Model Year 1997 through 2001 Lotus Esprit vehicles built between September 1, 1995, and March 31, 2001. A replacement passenger seat belt assembly could have been installed in certain vehicles that do not comply with Federal Motor Vehicle Safety Standard No. 208, "Occupant Crash Protection." These seat belt assemblies were manufactured without a lap portion that is lockable so as to secure a child safety seat. If an incorrect belt was installed, the seat belt will not be capable of securing a child seat, which could result in death or serious injury to the seat occupant.

NOTIFICATION TO PURCHASERS

We have reviewed Lotus Cars USA, Inc.'s proposed owner notification letter and it meets the requirements of 49 CFR Part 577.

If you have any questions, please call:

Kelly Schuler, Safety Defect Analyst or Jonathan White, Chief
at (202) 366-5227 or by FAX (202) 366-7882
Defect and Recall Information Analysis Division

Faxed on 4/23/01