

Safety Recall Compendium

*A Guide for the Reporting, Notification, and Remedy
of
Motor Vehicle and Motor Vehicle Equipment in Accordance with
Title 49 of the United States Code, Chapter 301
and Supporting Federal Regulations*

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Introduction

Manufacturers of motor vehicles and motor vehicle equipment are responsible under U.S. law for both notifying NHTSA and conducting a safety recall campaign when they discover a safety-related defect or a noncompliance with federal safety standards in motor vehicles or equipment that they manufacture. In complying with their obligations, manufacturers – and particularly smaller manufacturers who may have never conducted a recall campaign -- often have questions and concerns about the mechanics of notifying the Federal Government and conducting an appropriate safety recall campaign.

This guide serves as a concise summary of the federal requirements and guidance for manufacturers. Because it is a summary, and not an all-inclusive document intended to address every issue or aspect that could arise, manufacturers faced with the possibility of conducting a safety recall are strongly encouraged to review the statutory and regulatory authorities referenced in this guide to familiarize themselves with what is required. Manufacturers, and in particular those manufacturers that are conducting a safety recall for the first time, are also encouraged to consult with legal counsel.

The specifics governing the notification to NHTSA are discussed in section I. Sections II and III discuss the recall remedy and notification requirements recalls. Section IV reviews the reporting and record keeping requirements used for safety recall monitoring.

Should additional information or clarification be needed after reviewing this guide, please email RMD.ODI@dot.gov. By reviewing this guide and working with NHTSA, manufacturers can avoid unnecessary confusion and expense while developing and implementing effective safety recall campaigns. A timely, comprehensive safety recall benefits the public and the manufacturer.

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I. Recalls Responsibility and Reporting Requirements

Who Must Report to NHTSA and Who Must Conduct a Safety Recall Campaign

In terms of notifying NHTSA of a safety recall, the manufacturer of the vehicle or item of equipment containing the safety defect or noncompliance is responsible. There are two exceptions: one for multi-stage vehicles, and another for situations where an item of original equipment was installed on only one vehicle manufacturer's vehicles. For vehicles built in more than one stage -- and that therefore have more than one manufacturer -- notification by any one of the manufacturers is sufficient. In the case of a safety defect or noncompliance in an item of original equipment used in the vehicles of only one vehicle manufacturer, notification and reporting by either the equipment or vehicle manufacturer satisfies the reporting obligations of them both. Otherwise, the equipment manufacturer must report as to its equipment, and each vehicle manufacturer as to its vehicles.

In terms of the separate responsibility for conducting the safety recall, vehicle manufacturers are responsible for their vehicles and all original equipment installed on them. This means that even if the safety defect or noncompliance is in an item of equipment on the vehicle that the vehicle manufacturer did not manufacture, it is responsible for notifying owners and providing a free remedy.¹

Defective or noncompliant replacement equipment is the responsibility of its manufacturer, and not the vehicle manufacturer. Thus, should the original equipment manufacturer of recalled equipment also sell that equipment as replacement equipment, then the original equipment manufacturer would bear notification, reporting, and recall responsibilities for the replacement equipment. Tires, including those installed on a vehicle at the time of its first purchase, are considered replacement equipment.

When to Report

Once a manufacturer has decided that a safety defect or noncompliance exists in a motor vehicle or item of motor vehicle equipment it manufactures it must report that decision to NHTSA within 5 working days. Importantly, a manufacturer does not need to have identified the cause of the defect or noncompliance, or a remedy for that issue, in order to make this decision. Indeed, the absence of this information is not grounds for a manufacturer to delay its reporting of the safety defect or noncompliance. If part of the information which is required to fully describe the recall is unknown, notification to the agency must still be made with that information that is known within 5 working

¹ It is not uncommon in vehicle recalls involving defective or noncomplying original equipment, particularly those involving specialty or commercial vehicle applications, for the vehicle manufacturer and the original equipment manufacturer to coordinate such that the original equipment manufacturer performs the repairs and reports the numbers of vehicles remedied to NHTSA in quarterly reports. No matter what arrangements are made, however, ultimate responsibility for performance of the recall campaign remains with the vehicle manufacturer. The responsibility for notifying owners is not delegable and remains with the vehicle's manufacturer.

days. In such instances manufacturers are to promptly supplement their initial notification with the missing information once it becomes available.

The Defect and Noncompliance Information Report

The notification that a manufacturer provides to NHTSA is made through what is called a “Defect and Noncompliance Information Report,” or more commonly, a “defect report,” or “noncompliance report,” depending upon whether the issue at hand concerns a safety defect or a noncompliance with a FMVSS. This report must contain certain information which is discussed in this section.

By way of overview, key elements of the Defect and Noncompliance Information Report are identification of the vehicles or equipment to be recalled (including the population of the potentially affected), a description of the safety defect or noncompliance in question, a chronological summary of principal events leading up to the safety defect or noncompliance determination, identification of the remedy, and a schedule for the recall and remedy program. Ideally, a complete Defect and Noncompliance Information Report should provide sufficient information to assess whether the scope and application of the recall is appropriate, whether the problem possibly includes other vehicles or items of motor vehicle equipment, and the adequacy of the public notification and remedy campaign.

Some submitted Defect and Noncompliance Information Reports have resulted in follow-up requests from NHTSA for certain additional information, particularly concerning the recall scope, the cause of the defect or noncompliance, identification of the supplier of the item being recalled (if applicable), the remedy, or the remedy schedule. Defect and Noncompliance Information Reports filed by original equipment manufacturers (OEMs) are subject to particular scrutiny because the burden to conduct the recall falls on the vehicle manufacturers to whom that equipment was sold, and not the OEM. Therefore, the agency frequently issues inquiries to both the OEM and any vehicle manufacturers it identifies in its Defect and Noncompliance Information Report, in order to track the sale of the equipment in question so that the correct manufacturers both file Defect and Noncompliance Information Reports and conduct the recall.

Follow-up requests are part of the agency’s effort to ensure that the recall program at issue is timely and adequate in remedying the safety concerns surrounding the defective or noncompliant item. Manufacturers’ timely and complete responses to these follow-up requests is expected and appreciated.

Below is an overview discussion of several of the items of information required to be submitted in a Defect and Noncompliance Information Report. Not all items required for submission are discussed here, however. It is recommended, therefore, that manufacturers carefully review the regulatory requirements applicable to these reports so that required information is not excluded and unnecessary follow-up requests are avoided. The requirements applicable to Defect and Noncompliance Information Reports can be found in 49 CFR § 573.6.

To assist submitters with the development of their Defect and Noncompliance Information Reports,

Appendix B contains two forms – one applicable to motor vehicles and one applicable to motor vehicle equipment – that may be used in notifying NHTSA and providing the required information. Use of either of these forms is not necessary and, as with any universal form, adjustments and modifications may need to be made to tailor a submission to individual circumstances.

Identification of the Manufacturer, Importer, Distributor, or Brand Name Owner

The full corporate and/or individual identification of the fabricating manufacturer, brand name and/or trademark owner of the vehicle or item of motor vehicle equipment being recalled must be identified in the report. If the recalled vehicle or item is imported, the name and address of the designated agent must be provided.

Identification of the Recall Population and Its Size

The submitter must adequately identify the vehicles or equipment being recalled. Passenger cars are to be identified by their make, line, model year, inclusive dates of manufacture, and any other information necessary to describe them. Motor vehicle equipment manufactured by the manufacturer submitting the Defect and Noncompliance Information Report is identified by its generic name (e.g., tires, axles, etc.), part number, size and function where applicable, inclusive of dates of manufacture, and any other information necessary to describe the equipment. Non-passenger cars and motor vehicle equipment in which the component that contains the defect or noncompliance was not manufactured by the person submitting the Defect and Noncompliance Information Report, are to be identified in other ways. Also, with respect to motor vehicle equipment, the manufacturer must identify in particular ways each manufacturer that purchased the recalled equipment.

Proper identification of the recall population is extremely important. To that end, manufacturers must not only identify recalled items in a specific manner, but must also explain how that population was determined, and describe how the recalled population differs from similar vehicles or equipment not included in the recall. Information concerning how the inclusive dates of manufacture were determined is also important in evaluating the scope of the recall population. For example, if the initial date of the recalled population is the start of production for the vehicle (or item of motor vehicle equipment), then the Defect and Noncompliance Information Report should state this. In any case, an explanation on how the starting and ending dates of manufacture for the recalled population was determined should be provided.

In addition to providing an appropriate identification of the items covered by a recall, submitters are also required to report the total number of items potentially containing the safety defect or noncompliance, as well as the approximate percentage of those items estimated to actually contain the defect or noncompliance.

Description of the Safety Defect or Noncompliance and Chronology of Events

Every Defect and Noncompliance Information Report must also contain a detailed description of the defect or noncompliance in question. Such descriptions should include at a minimum a discussion of the nature (addressing the contributing factors and causes of the problem), physical location, and consequence of the safety defect or noncompliance. Photographs or illustrations should be provided

where appropriate.

Submitters are additionally required to provide, in the case of a safety defect, a chronological summary of all the principle events that were the basis for the determination of a safety defect. This summary is to include a summary of all warranty claims, field or service reports, and other information such as numbers of crashes, injuries and fatalities associated with the problem. For noncompliances, submitters are required to provide the test results and other information considered in determining the existence of the noncompliance. The dates of each test or other observation that indicated a noncompliance may, or did, exist are also to be provided.

An adequate description of the safety defect or noncompliance and discussion of its causes if known helps the agency to, among other things, ascertain whether the problem may impact other vehicles or equipment for which the submitter is not responsible and which the agency may need to pursue with another entity. This information also helps NHTSA evaluate whether the remedy is appropriate and adequate. A chronology of events assists the agency's understanding and assessment of how the problem may have developed, what relevant actions were taken and when, and whether additional or more expedient actions would have yielded a different result.

Remedy Development

Submitters must also include a description of the remedy program they plan to implement to fix the safety defect or noncompliance in their Defect and Noncompliance Information Reports. Also included must be a plan for reimbursing those owners or purchasers that paid to fix the defect or noncompliance prior to the manufacturer's issuance of its owner notifications concerning the problem. The description of the remedy program should include a full description of what the remedy is and how the remedy will be implemented. For motor vehicles or item of motor vehicle equipment that are still manufactured at the time of the recall, the production remedy should be described if it is different than the remedy offered in the field.

Further information concerning recall remedies and the requirement that manufacturers offer reimbursement to those owners that paid to fix a safety defect or noncompliance prior to a manufacturer's notification about the problem, is provided in section II.

Recall Schedule

In its Defect and Noncompliance Information Report the manufacturer must provide the estimated date(s) on which it plans to start and end mailing notifications to owners, dealers and distributors about the safety defect or noncompliance. Should the manufacturer later become aware that either of those dates will be delayed by more than two weeks, the manufacturer must promptly advise the agency of the delay, provide the reasons for the delay, and provide a revised estimate.

Manufacturers are required to notify owners within a reasonable period of time after the manufacturer first decides its products contain a safety defect or noncompliance. It is critically important that owners be informed promptly of unreasonable risks to their safety and failures of their products to meet minimum safety standards, and even in those cases where the manufacturer may not

have perfected its free remedy or may not have sufficient parts to be able to remedy all the recalled products for all owners immediately. Accordingly, it is expected that manufacturers issue their owner notification letters within 60 days of making a safety defect or noncompliance decision. In the event a manufacturer is not prepared at the time to launch the free remedy, it will need to re-notify owners once it is ready.

In order to avoid unnecessary follow-up inquiries from NHTSA, manufacturers are encouraged to provide detailed information concerning the mechanics and timelines for notifications, particularly for more complicated or unusually large recalls. Information concerning, for example, the date and form of any media releases or owner follow-up notifications should be provided. If a recall is being conducted in phases or on a regional (as opposed to national) basis, further details concerning the implementation of that recall – such as dates and identification of geographic areas -- should be provided as well as the reasons for why that recall is being conducted in such a manner.

Manufacturer-Assigned Recall Identification Codes

Many manufacturers have designed their own methods of managing and storing information associated with the various safety recalls or customer service actions they have conducted or will conduct in the future. Invariably, these methods involve the assignment of an identification code to each action which is usually different from the one ODI assigns. In order to avoid confusion between NHTSA and the manufacturer during communications about a particular action, manufacturers are required to supply ODI with its internal code for that action. Also, manufacturers are required in all written correspondence concerning a given recall to note the ODI-assigned code in that correspondence.

Petitions for Exemption from Recall Notice and Remedy Requirements

There are occasions when a manufacturer may discover that a vehicle or item of equipment it manufactures contains a defect or noncompliance, but nevertheless concludes that the problem is not one that, in its view, impacts motor vehicle safety. In this situation, a manufacturer may ask NHTSA to exempt it from the Act's public notification and free remedy requirements. Such requests are termed Petitions for Inconsequentiality.

During the time a petition is pending, the manufacturer is given a reprieve from conducting the public notification and remedy aspects of its recall.² If the petition is granted, it is given a permanent reprieve. If it is denied, the manufacturer must then provide the requisite details relating to the approximate dates for the start and end of its public notifications within five business days of the date of the denial's publication in the Federal Register.

² No similar reprieve or exemption exists for the sale or lease of the defective or noncompliant vehicles or equipment. Those items cannot be sold or leased unless and until they have been appropriately repaired irrespective of whether or not the problem is inconsequential to motor vehicle safety.

Should a manufacturer decide to file a Petition for Inconsequentiality, it must advise NHTSA of this fact in its Defect and Noncompliance Information Report if.

Where to Report

Manufacturers are encouraged to use efficient and reliable means for filing and one by which they can confirm NHTSA's receipt. Most manufacturers submit their reports as an attachment to an email message to RMD.ODI@dot.gov. Emails should indicate in the subject line that Part 573 materials are attached. Other manufacturers use express mail delivery or facsimile.³

What Happens Next

NHTSA Receipt and Acknowledgment

Upon receipt of a Defect and Noncompliance Information Report, ODI will review the information therein and assign a unique safety recall identification number to the recall. Shortly thereafter, a written acknowledgment letter will be sent to the manufacturer summarizing the information in the report and providing the identification number for the recall. That letter will also contain additional information and instructions pertaining to quarterly reporting (discussed later in this document). On an as needed basis this letter may also contain requests for additional information or identify specific concerns pertinent to the recall in question. Manufacturers are then usually, but not always, given a brief opportunity to review ODI's summary of the recall in order to correct any errors.

Safety Recall Information Is Made Public

After receiving and reviewing a Defect and Noncompliance Information Report and issuing an acknowledgement letter, ODI will then enter that information, including a copy of the Defect and Noncompliance Information Report, into its information systems. The information will then become publicly accessible through NHTSA's websites www.safercar.gov and www.nhtsa.dot.gov, and its automobile safety hotline, 1-888-327-4236.

II. Recall Remedy

Statutory and Regulatory Requirements

Absent one exception, manufacturers of recalled items are required to provide a free remedy for the safety defect or noncompliance at issue when a consumer presents the item for remedying.⁴ Sales or

³ The statute requires that manufacturers submit their Defect and Noncompliance Information Reports via certified mail to the Associate Administrator for Enforcement, National Highway Traffic Safety Administration, 1200 New Jersey Ave., S.E., Washington, DC 20590. NHTSA employs appropriate enforcement discretion where a manufacturer uses other, verifiable, and more expeditious means to notify the agency of recalls decisions.

⁴ The requirement to provide a free remedy does not apply if a motor vehicle or item of replacement equipment was bought by its first purchaser more than 10 calendar years before the manufacturer notified NHTSA of the safety defect or noncompliance in that product. For tires, this exception

leases of items subject to a safety recall are strictly prohibited, and any inventory of such items must be remedied prior to sale or lease. Also, manufacturers and distributors must immediately repurchase from their distributors and dealers the items or, in the case of motor vehicles, immediately provide the parts and equipment needed to remedy the vehicle, and reimburse the installing distributor or dealer for time and labor.

Vehicles may be remedied in any of three ways: repairing the vehicle; replacing the vehicle with an identical or reasonably equivalent vehicle; or refunding the vehicle's purchase price, less a reasonable amount for depreciation. Replacement equipment may be remedied by either repairing it or replacing it with identical or reasonably equivalent equipment. Tires are required to be repaired or replaced within 60 days of when an owner receives notification about their recall.

Where the free remedy offered is a repair, manufacturers are required to conduct that repair adequately and within a reasonable amount of time. A failure to conduct a repair adequately within 60 days after the consumer presents the item for repair is evidence of a failure to repair within a reasonable time. NHTSA may, however, extend the 60-day period where good reason is shown. In the event a repair is not done adequately within a reasonable amount of time, the manufacturer must replace the item with an identical or reasonably equivalent item or, for a vehicle, refund its purchase price less a reasonable amount for depreciation.

It is not unusual for ODI to request information establishing the adequacy of a recall remedy. ODI often requests test results demonstrating compliance with the FMVSS for noncompliance recalls, for example.

NHTSA may require a manufacturer to accelerate its remedy program under certain circumstances. Namely, acceleration may be required where: NHTSA finds that there is a risk of serious injury or death if the remedy program is not accelerated; NHTSA finds that acceleration can be reasonably achieved by expanding the sources of replacement parts, expanding the number of authorized repair facilities, or both; and NHTSA determines that the manufacturer's remedy program is not likely to be capable of completion within a reasonable time.

Reimbursement for Pre-Notification Remedies

The foregoing section addressed the typical situation in which the manufacturer discovers a defect or noncompliance in an item they have manufactured, notifies NHTSA of that problem, and then moves forward with a recall campaign to correct that problem in the field and in its inventory. There are often occasions, however, when an owner or purchaser of a defective or noncompliant vehicle or vehicle equipment fixes at their own cost the problem before the manufacturer has notified NHTSA and/or issued its owner notifications.

applies at 5 calendars post-first sale. This exception, however, does not exempt a manufacturer from notifying owners and purchasers about the safety defect or noncompliance in the product they purchased.

A manufacturer must include in its Defect and Noncompliance Information Report a plan for reimbursing an owner or purchaser who paid to remedy the defect or noncompliance in advance of the manufacturer's owner notifications. This plan must contain several items, including a date range within which an owner's payment of costs would qualify for reimbursement, the amount of costs to be reimbursed an owner, and an address to which claimants may mail reimbursement claims.

The date range within which an owner's payment of costs would qualify for reimbursement is subject to several parameters. The beginning date for a noncompliance recall is the date of the first test or observation by NHTSA or the manufacturer indicating that a noncompliance may exist. For a safety defect, the beginning date is calculated different ways depending upon whether the decision that there was a defect was made following the opening of an Engineering Analysis (EA) by NHTSA or not. If the decision was made following the opening of an EA, the beginning date is either the date the EA was opened, or one year before the date the manufacturer notified NHTSA of its defect decision, whichever date is earlier. If an EA was not opened, (which is the majority of safety defect recalls) the beginning date is one year before the date the manufacturer notified NHTSA of its defect decision.

The ending date for reimbursement plans depends upon whether the recall is of motor vehicles or replacement equipment. For motor vehicles, this date cannot be any earlier than 10 calendar days after the last mailing of owner notification letters. For replacement equipment, the ending date cannot be any earlier than 10 calendar days after the last mailing of owner notification letters, or 30 days after the conclusion of the manufacturer's initial efforts to notify owners of the recall, whichever date is later.

The manufacturer's calculation of the amount of costs to be reimbursed is also subject to several limitations. For motor vehicles, the amount of reimbursement may not be less than the amount paid by the owner to remedy the vehicle, or the cost of parts, labor, and miscellaneous fees (disposal, taxes, etc.), whichever is the lesser amount. For replacement equipment, the amount of reimbursement is typically that amount the owner paid to replace the equipment (if the owner chose to replace the item with a different brand, the manufacturer may limit the amount of reimbursement to the retail list price of the defective or noncompliant item, plus taxes). If the owner chose to repair the equipment, then the limitations applicable to motor vehicles apply.

A manufacturer may stipulate its reimbursement on the satisfaction of certain conditions. A manufacturer may deny reimbursement for costs incurred where the manufacturer's original or extended warranty would have provided for a free repair of the defect or noncompliance. Claims may also be denied where the pre-notification remedy did not address the defect or noncompliance at issue or was not reasonably necessary to correct the problem. Manufacturers may also require certain documentation from owners, such as adequate descriptions of the product involved and receipts.

Manufacturers are required to act on claims for reimbursement within 60 days of their receipt, including issuing the appropriate notices where claims have been denied. For claims for

reimbursement that are incomplete at the time of submission, within 60 days of the manufacturer's receipt of the incomplete claim, it must advise the claimant of the incompleteness, identify what additional information is needed, and offer an opportunity to resubmit the claim with the complete information.

Reimbursements must be in the form of cash or check.

III. **Public Notification Requirements**

After a manufacturer has identified a safety defect or noncompliance in a product it must notify its owners, purchasers, and dealers of that defect or noncompliance. Manufacturers must mail these notifications within a reasonable time after the manufacturer first determines that a safety defect or noncompliance exists. As explained earlier, it is expected that notifications will be issued within 60 days of the filing of the Defect and Noncompliance Information Report.

Manufacturers must submit copies of their proposed notifications to owners and purchasers for ODI's approval at least five Federal Government business days before they are to be mailed. This submission must be made using a means by which the manufacturer can demonstrate that ODI received the submission and the date it was so received. ODI recommends sending draft notifications to the attention of the Recall Management Division (NVS-215) via email at RMD.ODI@dot.gov. Alternatively, they may be facsimiled to (202) 366-7882. The division typically reviews and provides any comments within five Federal Government business days. Once a manufacturer has finalized its notification to owners and purchasers, it must send a representative copy of that notification to NHTSA no later than five days after it first mails those notifications. A copy of an approved draft is not sufficient. An attachment to an email addressed to RMD.ODI@dot.gov is sufficient, so long as the email identifies at least the subject matter and the NHTSA assigned recall identification number.

Notifications to Owners and Purchasers

The notifications to owners and purchasers (commonly referred to as "owner letters") must contain certain information which is detailed in 49 CFR § 577. Manufacturers should take care when drafting owner letters to ensure that each and every piece of required information is included in the draft. An example of an owner letter is provided in Appendix C.

Every owner letter must open with the statement that, "This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act." This statement must then be immediately followed with – in the case of a safety defect -- the statement that, "[Manufacturer's name] has decided that a defect which relates to motor vehicle safety exists in [identify the vehicles or replacement equipment]." In the case of a noncompliance, the second statement in the owner letter must state that, "[Manufacturer's name] has decided that [identify the vehicles or replacement equipment] fail to conform to Federal Motor Vehicle Safety Standard No. [insert the number and title of the standard]."

Following these statements, the letters must include a clear description of the defect or noncompliance to include: an identification of the vehicle system or items of equipment involved; a description of the malfunction that may occur due to the defect or noncompliance; a description of any operating or other conditions that may cause the malfunction to occur; and identification of any precautions owners may take to avoid or reduce the safety-related risk associated with the defect or noncompliance. The letters must also include an evaluation of the risk to motor vehicle safety reasonably related to the safety defect or noncompliance. This evaluation must be crafted in a specific manner depending upon whether a vehicle crash is a potential outcome of the defect or noncompliance. If a crash is a potential risk, the letters must include either a statement that the defect or noncompliance can cause a crash without warning, or a description of the warning that may occur coupled with a statement that if the warning is not heeded, a crash can occur. If a crash is not a potential risk, the letters must include a statement indicating the general type of injury to vehicle occupants or persons outside the vehicle that can result from the defect or noncompliance and, where applicable, a description of any warning that may occur.

A manufacturer's owner letters must state the measures to be taken to remedy the defect or noncompliance, must tell the reader that the remedy is offered without charge, and provide the earliest date on which the remedy is available. The letter should provide the vehicle owner with an estimate on how long the vehicle repairs will take to complete. The letters must also inform the owner they may submit complaints concerning the manufacturer's failure to remedy the defect or noncompliance without charge within a reasonable amount of time to the Administrator, National Highway Traffic Safety Administration, Washington, DC, 20590, or by calling the agency's toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153), or by going to the agency's website, <http://www.safercar.gov>.

The owner letters must additionally tell owners that they may be eligible to receive reimbursement if they paid to have the defect or noncompliance repaired or replaced before receiving the manufacturer's letter, and describe how they may obtain information about reimbursement. The instructions for how reimbursement may be obtained must be provided either in an enclosure to the letter or through a toll-free number provided in the letter. These instructions must: (1) identify the product being recalled and the underlying problem; (2) state that there is a program for reimbursing owners who paid to have the problem repaired or replaced and identify the type of remedies eligible for reimbursement; (3) identify any limits on the time period during which the repair or replacement of the product must have occurred; (4) identify any restrictions on eligibility for reimbursement (bearing in mind that the kinds of restrictions that may be imposed are limited as discussed previously); (5) specify any documentation that must be submitted to obtain reimbursement; and (6) explain how to submit the claim for reimbursement, including an identification of the office and address to which claims may be mailed and an identification of any authorized dealers or other facilities where a claim may be submitted.

The letter must notify the recipient that federal regulations require that any vehicle lessor receiving the recall notice must forward a copy of this notice to the vehicle lessee within ten days.

The requirements for owner letters are part of an effort to ensure that recipients of the letters fully comprehend and are fully informed of the serious nature of the subject matter of the letters. Accordingly, manufacturers must label the envelopes in which their owner letters are mailed in a certain manner. Each envelope must be marked with a notation including the words “SAFETY,” “RECALL,” and “NOTICE,” in capital letters, in a type size larger than that used in the address sections, and in another manner distinguishable from the other type on the envelope (e.g., color or style). Unless a manufacturer previously received approval for its envelopes, (in relation to an earlier recall for example) it must submit a draft envelope to ODI for approval at least five business days before mailing its letters.

Owner letters concerning vehicles must be sent via first class mail to each person registered under State law as the owner, or if that person is not notified, the most recent purchaser known to the manufacturer. Owner letters concerning replacement equipment and tires must be sent via first class mail to the most recent purchaser known to the manufacturer. Replacement equipment manufacturers may also be required to provide additional public notice (i.e., public service announcements, websites, posters at points-of-sale, etc.) where NHTSA decides that is necessary for motor vehicle safety. Letters and envelopes sent to owners in Puerto Rico or the U.S. Territories located in the Canal Zone are to be printed in both English and Spanish.

Notifications to Dealers and Distributors

The notifications that must be sent to the dealers and distributors of the recalled product (commonly called “dealer letters”) must meet many of the same requirements for owner letters. Namely, these letters must contain: a clear statement that identifies the notification as being a safety recall notice; an identification of the recalled product; a description of the defect or noncompliance; a brief evaluation of the risk to motor vehicle safety from that defect or noncompliance; a description of the remedy; and the estimated date on which the remedy will be available. Dealer letters must also include a reminder warning dealers that it is a violation of Federal law to sell or lease a new motor vehicle or any new or used item of motor vehicle equipment (including a tire) covered by a recall until the defect or noncompliance is remedied. An example dealer letter is provided in Appendix C.

Dealer letters must be issued within a reasonable time after a manufacturer makes its defect or noncompliance determination. Where the defect or noncompliance presents an immediate and substantial threat to safety, however, the manufacturer must transmit its notices within three business days of the submission of its Defect and Noncompliance Information Report if those notices are transmitted electronically to dealers or, if not transmitted electronically, within five business days of the transmission of that report. Also, NHTSA may direct the manufacturer to issue its dealer letters on a specific date if it is found to be in the public interest.

Dealer letters are to be sent by certified mail, verifiable electronic means such as emails with return receipts, or other means providing for more expeditious and verifiable transmission. The letters are to be sent to all dealers and distributors known to the manufacturer. In a situation where the manufacturer provided the recalled product to a group of dealers or distributors through a central office, notification to that office is sufficient notice to all those dealers or distributors. In a situation

where the recalled product was provided to independent dealers through independent distributors, the manufacturer may provide its letters to those distributors, but must then also instruct those distributors to transmit a copy of the letter to known distributors and retail outlets along the distributors' distribution chain within five working days from the distributors' receipt of the letter.

As with owner letters, manufacturers must send to NHTSA via certified mail a representative copy of the notification they issued to dealers no later than five days after that notification was first issued.

Notifications Made Pursuant to an Administrative Order

Manufacturers voluntarily conduct the vast majority of safety recalls. On rare occasion, however, a manufacturer may refuse to conduct a safety recall of its products, and even after NHTSA has specifically requested that it do so. The reasons for refusal vary but common themes include a denial of the safety-relatedness of the defect or noncompliance, an alleged lack of financial resources to conduct the recall, or a failure to recognize the applicability of Federal statutes or regulations to the manufacturer or its products. In such instances, the agency may be forced to use its administrative powers to issue an order to the manufacturer to conduct a safety recall.

Generally speaking, the owner and dealer letters that are issued as a result of an agency order must meet the same requirements as those issued for voluntary safety recalls. Those letters, however, usually contain additional language that varies depending upon the particular circumstances surrounding the mandated notification. Because these circumstances are so varied, it is not possible to concisely summarize the additional requirements for those notifications here.

Manufacturers who have received an order to conduct a safety recall are welcome to contact the Recall Management Division to discuss their particular circumstances in order to determine what their owner and dealer letters must say. These manufacturers should also review carefully 49 CFR § 577.6, which is the regulatory section that addresses agency-ordered notifications.

Other Notices and Communications

Sometimes manufacturers issue supplemental notifications (such as re-notifications) or public announcements concerning a recall they are conducting. Manufacturers are required to submit to NHTSA representative copies of these communiqués, and any other letters, notices, bulletins, and other communications that they send relating to the defect or noncompliance at issue in a safety recall. As with final versions of owner and dealer letters, these items must be submitted no later than five days after they are first issued,⁵ and are to be marked with the NHTSA/ODI-assigned safety recall number.

⁵ Notifications issued pursuant to an accelerated remedy program and re-notifications issued pursuant to an agency order are required to be submitted via certified mail.

Miscellaneous Points Concerning Safety Recall Campaigns

Leased Vehicles

Motor vehicle manufacturers must not only notify registered owners and/or last known purchasers, but must also notify any lessors of its vehicles. Lessors that receive a notification from the manufacturer have an independent obligation to notify their respective lessees, and must do so by first class mail within ten days of their receipt of the manufacturer's notification (unless the manufacturer has an agreement with a lessor to directly notify that lessor's lessees, in which case notification of the lessees becomes the manufacturer's responsibility). This obligation holds for both the initial lessee letters concerning a defect or noncompliance, and for any follow-up notifications that may occur. The manufacturer has the responsibility for reminding lessors of their obligation in the letters it sends to them.

Supplementary Measures for Notifying Owners of Recalled Motor Vehicle Equipment

Manufacturers of replacement equipment have an obligation to notify the most recent purchasers of the defective or noncomplying items where those persons are known to them. In many cases, however, these manufacturers have retained little to no information concerning who actually purchased their products; their knowledge is typically limited to the distributors and retail outlets that sell their products. This, coupled with the fact that purchasers of replacement equipment often do not have a means by which to register their products, or do not return the registration forms the manufacturer may have provided, can result in largely ineffective equipment recalls in which only a limited number of consumers are ever apprised of the fact that the product they purchased contains a defect or is not in compliance with federal standards.

In those situations where it finds it is necessary to public safety, the agency is empowered to require replacement equipment and tire manufacturers to take additional measures to improve public awareness about the recalling of a defective or noncompliant product. In many cases, manufacturers voluntarily undertake supplementary measures out of a sense of public responsibility and/or to address accounting balance sheet or products liability concerns.

Productive supplementary notification measures need not be inordinately expensive, and are typically comparable to the approaches and techniques used to originally market the item. Such measures include point-of-sale posters, website bulletins, and television and radio public service announcements. Manufacturers should also consider placing notices in those places where the purchasers of such items are more likely to be found, such as trade shows. As with any medium intended to educate, the information conveyed should be simple, short, and clear. The information should include: a declaration that the product manufactured or distributed by the manufacturer is involved in a safety campaign; a clear identification of the recalled product; a statement describing the consequences of the product failure, the remedy, and the procedure for obtaining the remedy; and the toll-free telephone number of the manufacturer. The consumer can then contact the manufacturer for further information on the recall and how to obtain the remedy.

As with owner letters, supplementary notifications must be reviewed by ODI before publication.

These materials may be sent to the Recall Management Division (NVS-215), NHTSA, Washington, D.C., 20590, or sent via facsimile on (202) 366-7882, or email at RMD.ODI@dot.gov.

Press Releases and Other Media

In addition to the supplementary measures replacement equipment manufacturers may consider using in conducting recalls, all manufacturers should consider issuing a press release describing the nature and consequences of the defect or noncompliance, the scope of the problem and vehicles involved, and the remedy. A press release is strongly encouraged for larger recalls. A release is also recommended for those recalls in which the remedy may not be immediately available, but in the interim there are steps an owner can take to avoid the likelihood of the defect or noncompliance from occurring or to alleviate the consequences should it occur. The press release should be appropriate to the market and/or demographics of the consumers.

ODI staff is available to assist manufacturers in drafting press releases. NHTSA's Office of Public Affairs may also be available to assist manufacturers, and should be contacted in any event so that it is properly informed and prepared for news media inquiries. That office's phone number is (202) 366-9550.

IV. Recall Monitoring and Performance

ODI closely monitors the performance and effectiveness of each safety recall to both ensure that the appropriate items are being recalled and that defective and noncomplying products are remedied. In order to perform this function the office uses a variety of tools, including mandatory reporting from manufacturers as to status of their recalls, audits of recalls, follow-up inquiries and surveys of owners and/or dealers about the performance of recalls, and a hotline and website through which consumer complaints about recalls are collected and then analyzed.

Should the agency determine that a manufacturer's notification program was not as effective as it was expected to have been, the agency may require the manufacturer to issue another notification. The re-notification letters and their envelopes must meet the same requirements for the initial notifications, and must include a statement that both identifies the re-notification as such and urges the recipient to present the vehicle or equipment for remedy.

NHTSA may also use its various enforcement authorities to investigate, remedy, and deter recall campaigns that violate, or do not meet the requirements for such campaigns.

Quarterly Status Reports

One of the main ways the agency monitors the progress and effectiveness of a recall is through the reports the recalling manufacturer files on its recalls each quarter. Manufacturers must submit, for six, consecutive, calendar quarters, a status report concerning the current progress of their recall campaign beginning with the quarter in which the recall campaign began (i.e., the quarter when the owner letters were first issued). The deadline for a quarterly report's submission is the 30th day of

the month following the given quarter's end (i.e., April 30, July 30, October 30, and January 30).⁶ Submissions may be sent in any manner, so long as the submissions are received by their deadline. As with any other required submission, RMD recommends manufacturers use an efficient means and one by which receipt can be confirmed whether that be to RMD's email at RMD.ODI@dot.gov, express delivery, or facsimile.

Each quarterly report must contain specific information, and that information must be identified in a particular manner as well as presented in a particular order. Among other things, each report must include the NHTSA-assigned recall identification number (the manufacturer-assigned identification number, if any, should also be provided), the number of items involved in the recall, the number of those items that as of the quarter's end have been remedied, and the number of those items that as of the quarter's end have been inspected and determined not to need the remedy. Also to be included are the respective numbers of items unreachable for inspection (and therefore remedying) due to export, theft, scrapping, non-receipt of a notification, or other reasons as specified by the manufacturer. For equipment items, the number of items repaired and/or returned by dealers, retailers, and distributors prior to sale is also to be given. Separate requirements apply to tire recalls.

In the event a manufacturer achieves a 100 percent completion rate, the manufacturer may request from RMD that it not complete further quarterly reports after submission of a report evidencing the 100 percent completion. Unless and until permission is granted, the manufacturer should continue to file all six of its reports.

In the event a manufacturer conducts a renotification campaign, whether at NHTSA request or not, the manufacturer should continue to file quarterly reports for at least another three quarters following the renotification, even if that means the manufacturer ends up filing more than six quarterly reports on a recall. RMD should always be informed of manufacturer renotifications and at the very least receive a representative copy of what was mailed and be given the date of mailing.

Appendix D provides example forms for quarterly reporting.

Recall Records and Their Retention

Manufacturers are required to keep certain records related to safety recalls they conduct. These records are of significant value in situations where the manufacturer decides or is asked to re-notify owners, and where ODI may need to contact purchasers or retailers directly about a recall.

Vehicle manufacturers are required to maintain a list of the names and addresses of the registered owners, and the most recent purchasers of the vehicles where the registered owner is unknown, for all the vehicles involved in the recall. They must also maintain a list of the names and addresses of every dealer and distributor to which a recalled vehicle was delivered. The registered owner and most recent purchaser list must include the VIN and status of remedy for each vehicle, and must be

⁶ Where a recall campaign begins within the last 15 days of a quarter, the first quarterly report may be postponed until the next quarter.

kept current as of the end of each quarterly reporting period. These lists are to be maintained for five years from the date on which the manufacturer submitted its Part Defect and Noncompliance Information Report to NHTSA.

Tire manufacturers must maintain a list of the names and addresses of the purchasers of recalled tires, including a list of the applicable tire identification numbers (TINs) and the status of remedy for each purchaser, current as of the end of each quarterly reporting period. Their responsibility for this information is limited to three years from the date of submission of the applicable Part Defect and Noncompliance Information Report.

Equipment manufacturers (other than tire) must maintain a list containing the names and addresses of every dealer, distributor, motor vehicle manufacturer, motor vehicle equipment manufacturer, and most recent known purchaser, to whom the recalled product was sold and to whom a notification was sent, the number of recalled products sold to each, and the date of shipment. This list must also show the number of items remedied or returned and dates of remedy and return. The list must be maintained for five years from the date on which the manufacturer submitted its Part Defect and Noncompliance Information Report.

Lessors are responsible for maintaining a list of the names and addresses of the lessees to whom the lessor sent a defect or noncompliance notification pursuant to Part 577. The list is also to include the make, model, model year, and VIN of each leased vehicle, as well as the date on which the lessor mailed its notifications. Lessors are required to retain this information until one calendar year after the respective vehicle leases expire.

APPENDIX A. - DEFINITIONS

Motor vehicles, for purposes of safety recalls are defined within the Act and various sections of 49 Code of Federal Regulations, as any vehicle which is operable, with or without motive power, on the Nation's public roadways. This would include cars, trucks, motorcycles, trailers, and vehicles built in more than one stage.

49 CFR: Title 49 of the Code of Federal Regulations.

49 U.S.C.: Title 49 of the United States Code.

Act: The National Traffic and Motor Vehicle Safety Act of 1966, as amended.

Dealer: any person who is engaged in the sale and distribution of new motor vehicles or items of motor vehicle equipment primarily to purchasers who in good faith purchase any such vehicles or item of equipment for purposes other than resale.

Defect: any defect in performance , construction, components, or materials in motor vehicles or items of motor vehicles.

Distributor: any person who is engaged in the sale and distribution of motor vehicles or items of motor vehicle equipment for resale.

FMVSS: Federal Motor Vehicle Safety Standard.

Manufacturer: any person engaged in the manufacturing or assembling of motor vehicles or motor vehicle equipment, including any person importing motor vehicles or items of motor vehicle equipment for resale.

Motor Vehicle: any vehicle driven or drawn by mechanical power and manufactured primarily for use on the public streets, roads, and highways, except any vehicle operated exclusively on a rail or rails.

Motor Vehicle Equipment: any system, part, or component of a motor vehicle as originally manufactured or any similar part or component manufactured or sold for replacement or improvement of such system, part, or component or as any accessory or addition to the motor vehicle, and any device, article, or apparel not a system, part, or component of a motor vehicle (other than medicines, or eyeglasses prescribed by a physician or other duly licensed practitioner), which is manufactured or sold, delivered, offered, or intended for use exclusively to safeguard motor vehicles, drivers, passengers, and other highway users from risks of accidents, injury, or death.

Motor Vehicle Safety: the performance of motor vehicles or items of motor vehicle equipment in such a manner that the public is protected against unreasonable risk of accidents occurring as a result of the design, construction, or performance of motor vehicles and is also protected against unreasonable risk of death or injury to persons in the event accidents do not occur, and includes

nonoperational safety of such vehicles.

Original Equipment: [Section 159 of the Act] an item of motor vehicle equipment (including a tire) which was installed in or on a motor vehicle at the time of its delivery to the first purchaser.

Original Equipment Responsibility: [Section 159 of the Act] a defect in, or failure to comply of, an item of original equipment shall be deemed to be a defect, or failure to comply of, the motor vehicle in or on which such equipment was installed at the time of its delivery to the first purchaser. If the manufacture of a motor vehicle is not the manufacturer of original equipment installed in or on such vehicle at the time of its delivery to the first purchaser, **the manufacturer of the vehicle (rather than the manufacturer of such equipment) shall be considered the manufacturer of such item of equipment.** The term first purchaser means first purchaser for purposes other than resale.

Replacement Equipment: [Section 159 of the Act] an item of motor vehicle equipment (including a tire) other than original equipment.

United States: includes the United States and its protectorates to which the Act applies, which includes all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and America Samoa.

APPENDIX B.

**SAFETY DEFECT AND NONCOMPLIANCE
NOTIFICATION REPORT FORMS**

Safety Defect and Noncompliance Report Guide for Vehicles

PART 573 Defect and Noncompliance Report

Date: _____

This report serves as [insert reporting manufacturer’s name]’s notification to the U.S. Department of Transportation, National Highway Traffic Safety Administration that a [insert as applicable: “defect related to motor vehicle safety” or “noncompliance with Federal Motor Vehicle Safety Standards”] exists in certain [identify the vehicles at issue]. [Manufacturer] decided that this [insert “defect” or “noncompliance,” as applicable] existed in these vehicles on [insert date].

I. Manufacturer, Designated Agent, and Other Chain of Distribution Information

Manufacturer’s corporate name:

Vehicle brand or trademark name owner(s) (where applicable):

Designated Agent (imported vehicles):

If this notification concerns a defective or noncompliant component that the above identified manufacturer did not manufacture, identify that component and provide the name, address, and phone number of the manufacturer of the component (if this manufacturer is unknown, provide this information as to the supplier of the component):

Name, address, email, and phone and fax numbers for the person(s) to whom inquiries about this report should be directed:

Manufacturer's assigned campaign number (where applicable):

II. Identification of the Recall Population and Its Size

Complete the tables below for each group of vehicles subject to this notification. Additional tables may be necessary where there are more than three groups subject to a notification.

Make:
Model:
Model Year(s):
Inclusive dates of manufacture (month and year):
Body Style/Type (for non-passenger cars):
Other information necessary to describe these vehicles (e.g., VIN range, GVWR or class for trucks, displacement for motorcycles, and number of passengers for buses):
Total number of these vehicles:

Make:
Model:
Model Year(s):
Inclusive dates of manufacture (month and year):

Body Style/Type (for non-passenger cars):
Other information necessary to describe these vehicles (e.g., VIN range, GVWR or class for trucks, displacement for motorcycles, and number of passengers for buses):
Total number of these vehicles:

Make:
Model:
Model Year(s):
Inclusive dates of manufacture (month and year):
Body Style/Type (for non-passenger cars):
Other information necessary to describe these vehicles (e.g., VIN range, GVWR or class for trucks, displacement for motorcycles, and number of passengers for buses):
Total number of these vehicles:

Provide the following information as to all the groups of vehicles:

Grand total number of vehicles: _____

The percentage of the recall population you estimate actually contain the defect or noncompliance:

Identify and describe how the recall population was determined (e.g., on what basis the recalled models were selected and how the inclusive dates of manufacture were determined):

Describe how the recall population is different from any similar vehicles not subject to this notification:

III. Description of the Defect or Noncompliance and Chronology of Events

Describe the defect or noncompliance, including a summary and detailed description of the nature and physical location (if appropriate) of the defect or noncompliance. Graphic aids should be provided where necessary.

Describe the cause(s) of the defect or noncompliance condition.

Describe the safety consequence(s) of the defect or noncompliance condition.

Identify any warning(s) that may precede the defect or noncompliance condition.

For defects, provide a dated, chronological summary of all the principle events that were the basis for the determination that the defect is related to motor vehicle safety, including a summary of all warranty claims, field or service reports, and other information such as numbers of crashes, injuries and fatalities.

For noncompliances, identify the test results and other information considered in determining the existence of the noncompliance, and provide the date of each test and observation indicative of that noncompliance.

IV. The Remedy Program and Its Schedule

Describe the program for remedying the defect or noncompliance, including the plan for reimbursing those owners and purchasers who may have incurred costs to remedy the defect or noncompliance before receiving the manufacturer's notification concerning that defect or noncompliance. Also include, where applicable, details with dates concerning any production remedy that was conducted or will be conducted.

Provide the estimated date(s) on which owner and purchaser notifications will be issued and the estimated date(s) for completion of those notifications.

Provide the estimated date(s) on which dealer and distributor notifications will be issued and the estimated date(s) for completion of those notifications.

Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly.

******* IMPORTANT REMINDERS *******

A DRAFT version of the letter that the manufacturer intends to mail to owners and purchasers notifying them of the defect and/or noncompliance must be submitted to NHTSA at least five Federal Government business days before those letters are issued. In addition, it is recommended that the draft version of the letter that the manufacturer intends to send to its dealers and distributors concerning the defect and/or noncompliance also be submitted for review. For prompt receipt and review, drafts may be submitted to the attention of the Recall Management Division (NVS-215) via facsimile on (202) 366-7882, or email to RMD.ODI@dot.gov.

A representative copy of all notices, bulletins, and other communications that relate directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, dealer, or purchaser, must be submitted to NHTSA no later than five days after they are initially sent. This requirement applies both to the final version of the notification letter that is sent to owners and purchasers, as well as the final version that is sent to dealers and distributors. It also includes any follow-up notifications issued concerning a recall. The representative copies of the letters sent to owners and purchasers, and dealers and distributors, must be submitted via certified mail. It is strongly recommended, however, that additional representative copies be submitted via facsimile on (202) 366-7882, or email to RMD.ODI@dot.gov, so that the submission can be more promptly reviewed. All submissions should be conspicuously labeled with the appropriate NHTSA-assigned recall number.

Safety Defect and Noncompliance Report Guide for Equipment

PART 573 Defect and Noncompliance Report

Date: _____

This report serves as [insert reporting party’s name]’s notification to the U.S. Department of Transportation, National Highway Traffic Safety Administration that a [insert as applicable: “defect related to motor vehicle safety” or “noncompliance with Federal Motor Vehicle Safety Standards”] exists in certain [identify the equipment at issue]. [Manufacturer] decided that this [insert “defect” or “noncompliance,” as applicable] existed in these vehicles on [insert date].

I. Manufacturer, Designated Agent, and Other Chain of Distribution Information

Manufacturer’s corporate name:

Equipment’s brand or trademark name owner(s) (where applicable):

Designated Agent (imported equipment):

If this notification concerns equipment that was installed in new motor vehicles or new items of motor vehicle equipment, identify by name, address, and telephone number each vehicle manufacturer and equipment manufacturer who purchased that equipment:

If this notification concerns a defective or noncompliant component that the above identified manufacturer did not manufacture, identify that component and provide the name, address, and phone number of the manufacturer of the component (if this manufacturer is unknown, provide this information as to the supplier of the component):

Name, address, email, and phone and fax numbers for the person(s) to whom inquiries about this report should be directed:

Manufacturer's assigned campaign number (where applicable):

II. Identification of the Recall Population and Its Size

Complete the tables below for each item of equipment subject to this notification. Additional tables may be necessary where there are more than three items subject to a notification.

Type of equipment (e.g., tire, child restraint, headlamp):
Part/Model number:
Size and function (where applicable):
Inclusive dates of manufacture (month and year):
Other information necessary to describe this equipment:
Total number of these items of equipment:

Type of equipment (e.g., tire, child restraint, headlamp):
Part/Model number:
Size and function (where applicable):
Inclusive dates of manufacture (month and year):
Other information necessary to describe this equipment:
Total number of these items of equipment:

Type of equipment (e.g., tire, child restraint, headlamp):
Part/Model number:
Size and function (where applicable):
Inclusive dates of manufacture (month and year):
Other information necessary to describe this equipment:
Total number of these items of equipment:

Provide the following information as to all the items of equipment (“the recall population”) identified above:

Grand total number of items of equipment in the recall population: _____

The percentage of the recall population you estimate actually contain the defect or noncompliance:

Identify and describe how the recall population was determined (e.g., on what basis the recalled models were selected and how the inclusive dates of manufacture were determined):

Describe how the recall population is different from any similar items of equipment not subject to this notification:

III. Description of the Defect or Noncompliance and Chronology of Events

Describe the defect or noncompliance, including a summary and detailed description of the nature and physical location (if appropriate) of the defect or noncompliance. Graphic aids should be provided where necessary.

Describe the cause(s) of the defect or noncompliance condition.

Describe the consequence(s) of the defect or noncompliance condition.

Identify any warning(s) that may precede the defect or noncompliance condition.

For defects, provide a dated, chronological summary of all the principle events that were the basis for the determination that the defect is related to motor vehicle safety, including a summary of all warranty claims, field or service reports, and other information such as numbers of crashes, injuries and fatalities.

For noncompliances, identify the test results and other information considered in determining the existence of the noncompliance, and provide the date of each test and observation indicative of that noncompliance.

IV. The Remedy Program and Its Schedule

Describe the program for remedying the defect or noncompliance, including the plan for reimbursing those owners and purchasers who may have incurred costs to remedy the defect or noncompliance before receiving the manufacturer's notification concerning that defect or noncompliance. Also include, where applicable, details with dates concerning any production remedy that was conducted or will be conducted.

Provide the estimated date(s) on which owner and purchaser notifications will be issued and the estimated date(s) for completion of those notifications.

Provide the estimated date(s) on which dealer and distributor notifications will be issued and the estimated date(s) for completion of those notifications.

Describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly.

******* IMPORTANT REMINDERS *******

A DRAFT version of the letter that the manufacturer intends to mail to owners and purchasers notifying them of the defect and/or noncompliance must be submitted to NHTSA at least five Federal Government business days before those letters are issued. In addition, it is recommended that the draft version of the letter that the manufacturer intends to send to its dealers and distributors concerning the defect and/or noncompliance also be submitted for review. For prompt receipt and review, drafts may be submitted to the attention of the Recall Management Division (NVS-215) via facsimile on (202) 366-7882, or email to RMD.ODI@dot.gov.

A representative copy of all notices, bulletins, and other communications that relate directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, dealer, or purchaser, must be submitted to NHTSA no later than five days after they are initially sent. This requirement applies both to the final version of the notification letter that is sent to owners and purchasers, as well as the final version that is sent to dealers and distributors. It also includes any follow-up notifications issued concerning a recall. The representative copies of the letters sent to owners and purchasers, and dealers and distributors, must be submitted via certified mail. It is strongly recommended, however, that additional representative copies be submitted via facsimile on (202) 366-7882, or email to RMD.ODI@dot.gov, so that the submission can be more promptly reviewed. All submissions should be conspicuously labeled with the appropriate NHTSA-assigned recall number.

APPENDIX C. - SAMPLE NOTIFICATION DOCUMENTS

SAMPLE OWNER NOTIFICATION LETTER

IMPORTANT SAFETY RECALL NOTICE

Dear [Insert name or generic title]:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

[Manufacturer's name] has decided that a defect which relates to motor vehicle safety exists in [identify the recalled items].⁷

! I M P O R T A N T !

- Your [identify recalled item] is being recalled
- You should [describe the action the consumer should take (e.g., contact your nearest dealer, return the item to us, attach the enclosed warning label, etc.)]

Why is a recall being conducted?

Describe the defect or noncompliance, including an identification of the vehicle system or items of equipment involved, a description of the malfunction that may occur due to the defect or noncompliance, a description of any operating or other conditions that may cause the malfunction to occur, and a description of the safety risk related to the defect or noncompliance.⁸

⁷ Although the issue in this sample involves a safety defect, the sample can be easily modified for noncompliance recalls by deleting in the second paragraph the phrase, “a defect that relates to motor vehicle safety exists in”, and then identifying the recalled items followed by the phrase “fail to conform to Federal Motor Vehicle Safety Standard No. [insert the number and title of the applicable standard].”

⁸ If the risk includes the potential for a crash, the evaluation must include either a statement that the defect or noncompliance can cause a crash without warning, or a description of the warning that may occur coupled with a statement that if the warning is not heeded, a crash can occur. If a crash is not a potential risk, include a statement indicating the general type of injury to vehicle occupants or

What are we doing about the problem? Describe the remedy program here and note that it is offered free of charge. For repair remedy programs, provide an estimate of time for the repair.

What should you do? Provide the instructions for owners to follow to obtain the free remedy here. Also, if there are precautions owners may take to avoid or reduce the safety-related risk associated with the defect or noncompliance, describe those here.

What if you no longer own this [identify item]? Provide instructions for owners to forward the new owner information to the manufacturer.

Who should you contact if you have further questions or concerns? Provide the appropriate manufacturer contact information here.

If you are the lessor of this vehicle, please forward a copy of this notice to the lessee within ten days to comply with federal regulations

If you have already paid to have your [identify the item] repaired for this condition, you may be eligible for reimbursement of the charges you paid for the [repair or replacement, as applicable]. To learn more about what you need to do to obtain reimbursement, [instruct either to review enclosed instructions or call a toll-free number which will provide those instructions].

If after having attempted to take advantage of this recall you believe you have not been able to have your [identify item] remedied without charge and within a reasonable amount of time, you may submit a complaint to the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Ave., S.E., Washington, D.C., 20590; or call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153); or go to <http://www.safercar.gov>.

We apologize for any inconvenience this safety recall may cause, but your safety is our first concern.

Sincerely,

[Manufacturer's name]

persons outside the vehicle that can result from the problem and, where applicable, a description of any warning that may occur.

SAMPLE DEALER/DISTRIBUTOR NOTICE⁹

SAFETY RECALL NOTICE

TO: All Dealers

[Insert manufacturer name] has decided that a safety defect exists in certain **[insert vehicle or equipment identification]**. Accordingly, a recall to address this issue is being initiated effective **[insert date]**.

The defect involves **[describe the defect]**. This defect could result in **[identify or describe the risks to motor vehicle safety]**.

Owners will be notified by mail about the recall and will be instructed **[describe the recall remedy]**. There is no cost to owners for this recall.

[Insert information and instructions concerning the mechanics of performing the recall remedy, availability/shipment of parts, reimbursement for time and labor, and other information pertinent to performance of the recall here]

Please be reminded that it is a violation of Federal law for you to sell or lease the **[insert as appropriate: vehicles/items of equipment]** covered by this notification until this recall has been performed on these **[insert as appropriate: vehicles/items of equipment]**. Substantial civil penalties apply to violations of this law.

Your assistance with this recall is appreciated. Should you have any questions or concerns, please contact **[insert appropriate information]**.

⁹ Although the issue in this sample involves a safety defect, the sample can be easily modified to be used to notify dealers concerning a noncompliance issue by substituting the language referencing and describing the defect with language referencing and describing the noncompliance.

APPENDIX D. - QUARTERLY REPORT GUIDES

Vehicle Safety Recall Quarterly Report Information

And

Equipment Safety Recall Quarterly Report Information

Vehicle Safety Recall Quarterly Report Information

Report Date: _____

Calendar Quarter (circle one): January 1 – March 31
April 1 – June 20
July 1 – September 30
October 1 – December 31

Manufacturer (name, address, phone): _____

Name, address, email, and phone and fax numbers for the person(s) to whom inquiries about this report should be directed:

Subject vehicles (make, model, model year, and any other information necessary for identifying the vehicles):

1. NHTSA Safety Recall Campaign Number: _____
Manufacturer's assigned campaign number (where applicable): _____
2. (a) The date notification to purchasers began: _____
(b) The date notification of purchasers was completed: _____
(c) The date notification to dealers and distributors began: _____
(d) The date notification of dealers and distributors was completed: _____
3. The total number of vehicles involved: _____

NOTE: The number figures given in responses to numbers 5 and 6 below are to be stated in the cumulative (e.g., in consideration of any previous quarter's information).

4. (a) Total number inspected and remedied: _____

(b) Total number inspected, but determined NOT to require the remedy: _____

5. Numbers of vehicles determined to be unreachable for inspection due to:

Export: _____

Theft: _____

Scrapping: _____

Failure to receive a notification of the recall: _____

Other reasons (specify below): _____

Total number of vehicles unreachable for inspection: _____

This report may be e-mailed to RMD.ODI@dot.gov or facsimiled to (202) 366-7882.

Equipment Safety Recall Quarterly Report Information

Report Date: _____

Calendar Quarter (circle one): January 1 – March 31
April 1 – June 20
July 1 – September 30
October 1 – December 31

Manufacturer (name, address, phone): _____

Name, address, email, and phone and fax numbers for the person(s) to whom inquiries about this report should be directed:

Subject equipment (type of equipment, part/model number, and any other information necessary for identifying the equipment):

1. NHTSA Safety Recall Campaign Number: _____

Manufacturer's assigned campaign number (where applicable): _____

2. (a) The date notification to purchasers began: _____

(b) The date notification of purchasers was completed: _____

(c) The date notification to dealers and distributors began: _____

(d) The date notification of dealers and distributors was completed: _____

3. The total number of items of equipment involved: _____

NOTE: The number figures given in responses to numbers 4 and 5 below are to be stated in the cumulative (e.g., in consideration of any previous quarter's information).

4. (a) Total number inspected and remedied: _____

(b) Total number inspected, but determined NOT to require the remedy: _____

5. Numbers of items of equipment determined to be unreachable for inspection due to:

Export: _____

Theft: _____

Scrapping: _____

Failure to receive a notification of the recall: _____

Other reasons (specify below): _____

Total number of items of equipment unreachable for inspection: _____

6. The number of items of equipment repaired and/or returned by dealers, distributors, and other retailers prior to sale: _____

This report may be e-mailed to RMD.ODI@dot.gov or facsimiled to (202) 366-7882.

APPENDIX E

Statutory and Regulatory Authorities By Subject Matter

Subject Matter	Statutory/Regulatory Authorities
Acceleration of Recall Remedy	49 CFR 573.14, 577.12
Dealer and Distributor Recall Notifications: Requirements for Content, Manner, and Timing of Notifications	49 CFR 573.6(c)(10), 577.7, 577.13
Defect and Noncompliance Reporting Requirement	49 U.S.C. 30118; 49 CFR 573.3, 573.5
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Quarterly Reports: Requirement to Report, Contents	49 CFR 573.7
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Recall Notifications: Re-notification/Supplemental Notifications	49 CFR 573.6(c)(10)
Recall Notifications: Supplementary Owner and Purchaser Notifications Applicable to Replacement Equipment	49 U.S.C. 30119; 49 CFR Part 577
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Reimbursement of Pre-Notification Remedies	49 CFR 573.13, 577.11

