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July 27, 2007

Kathleen C. DeMeter, Director  
Office of Defects Investigation  
Enforcement  
U.S. Dept. of Transportation – NHTSA  
1200 New Jersey Avenue SE  
Washington, DC 20590

Re: Foreign Tire Sales, Inc.  
Recall No. 07T-003  
NVS-210

Dear Ms. DeMeter:

Please accept this letter in response to the information request from The Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) dated June 27, 2007. This letter replies to requests 5-15. We are also supplementing FTS' response to 4b.

**FTS understands this request to involve light truck radial tires (“LTR”) in the Westlake, Compass and YKS brand names\* in the sizes and designations set forth below, manufactured by Hangzhou Zhongce Rubber Co. LTD (“HZ”). FTS did not import any LTR tires from HZ in any other brands. FTS has responded to these requests based on this understanding.**

<u>Size</u>	<u>Models</u>
LT235/75R-15	CR861, CR857
LT225/75R-16	CR861
LT235/85R-16	CR860, CR861, CR857
LT245/75R-16	CR860, CR861, CR857
LT265/75R-16	CR860, CR861, CR857
LT31X10.5 R-15	CR857, CR861

All of the information provided herein was last gathered between June 29, 2007 and July 26, 2007.

Request No. 4b: FTS has recently received a document from Firestone purporting to be a data base of customer registrations for HZR tires. The majority of the tires on this data base are not involved in this recall. Many of the tires and tire sizes on this data base were not imported by FTS. FTS was not in possession of this information when it initially responded to NHTSA's information requests. See bates numbers 348 through 361.

Request No. 5: Describe all testing that FTS conducted, arranged to have conducted (e.g., by a test laboratory) and/or that FTS otherwise relied on in certifying each of the subject tires to the Federal Motor Vehicle Safety Standards. For each test, state the date of the test, describe the tire tested including model, size, and production date, describe the test (e.g., FMVSS No. 119 (with "S" (paragraph) number) and state the test results. This information request covers a period prior to 2001 if the certification testing occurred before 2001.

Response: FTS supplies herewith copies of all compliance testing of the subject tests in its possession. These tests are organized according to size/model. These tests were conducted by HZR pursuant to FMVSS 119. These documents are being produced in the form that they are maintained at FTS. We are making arrangements to have the tests in Chinese translated. Much of the information sought by this request is not in the possession of FTS. FTS states that each of the test results submitted herewith met or exceeded the requirements of FMVSS 119.

Westlake LT235/85R16 CR 861 bates numbers 362 through 365.  
Westlake LT235/75R15 CR861 bates numbers 366 through 370.  
Westlake & Goodride\* LT31/10.5R15 CR861 bates numbers 371 through 375.  
YKS, Westlake & Goodride\* LT31/10.5R16 CR857 bates numbers 376 through 388.  
Westlake & Milestar\* LT265/75R16 CR 861 bates numbers 389 through 395.  
Westlake, YKS & Milestar\* LT245/75R16 CR 857 bates numbers 404 through 416.  
Westlake & Milestar\* LT245/75R16 CR 861 bates numbers 396 through 403.  
YKS LT225/75R15 CR 857 bates numbers 417 through 424.  
YKS, Westlake & Goodride\* LT225/75R16 CR861 bates numbers 425 through 443.  
YKS, Westlake & Goodride\* LT265/75R16 CR857 bates numbers 444 through 459.  
YKS & Goodride\* LT265/75R16 CR860 bates numbers 460 through 480.  
YKS, Westlake & Goodride\* LT235/85R16 CR860 bates numbers 481 through 494.  
YKS & Westlake LT245/75R16 CR860 bates numbers 495 through 510.  
Westlake LT235/85R16 CR857 bates numbers 511 through 547.

\*These brands were never imported by FTS. HZR has indicated that they are of the identical design and construction to the Westlake, Compass and YKS tires imported by FTS in the various sizes and models.

Request No. 6: Describe all testing that FTS conducted, arranged to have conducted (e.g., by a test laboratory) and/or about which FTS otherwise had information on the subject tires, other than certification tests identified in your answer to Number 5 above. For each test, state the date of the test, describe the tire tested including model, size, and production date, describe the test and state the test results. This information request covers a period prior to 2001 if for subject tires designed and tested before 2001.

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Response: The following tests are enclosed herewith:

a. Vehicle endurance tests were performed in July 2001 on HZR LTR size LT 235/85R16 at High Q Incorporated in Pearsall Texas. The tires were mounted on a vehicle and driven 40,000 miles. They were continuously checked for proper inflation pressure and examined each day to rule out damage. They were examined shearographically and found to be acceptable. They were then sectioned by Standards Testing Labs of Massillon, Ohio and found to be in tact after 40,000 miles. Bates through .

The tests were to be repeated in May 2002. The tests were started using HZR LTR tires size 245/75R16. The test was aborted at 35,000 miles due to road damage to some of the test tires. Bates 548-582.

b. Additional HZR FMVSS 119 compliance tests post importation is enclosed as follows:

Goodride\* & Westlake LT225/75R16 CR 861 bates 583 through 590.  
Westlake & Goodride\* LT 235/75R17 CR 857 bates 591 through 595.  
Westlake LT 235/85R16 CR 857 bates 596 through 603.  
Westlake & Goodride\* LT235/85R16 CR 860 bates 604 through 617.  
Westlake LT 235/85R16 CR 861 bates 618 through 627.  
Westlake & Milestar\* LT 245/75R16 CR857 bates 628 through 637.  
Westlake & Goodride\* LT245/75R16 CR860 bates 638 through 648.  
Westlake & Milestar\* LT245/75R16 CR861 included STL test July 3, 2006  
bates 649 through 657.

This is a stepped up FMVSS 119 test. After 47 hours, the load is increased 10% for each 10hour period. This tire went 77.34 hours. STL test on July 7, 2007 (same step up) tire went 111.5 hours. STL test on August 1, 2006 (same step up) tire went to 91 hours. Bates 657a-657c.

Westlake & Goodride\* LT 265/75R16 CR857 note Goodride\* test dated July 7, 2006 makes note of value for FMVSS 139 test bates 658-666.  
Westlake & Goodride\* LT265/75R16 CR 860 bates 667 through 684.  
Westlake & Milestar\* LT265/75R16 CR 861 bates 685 through 686.  
Westlake & Goodride\* LT 31/10.5R15 CR 857 bates 687 through 693.  
Westlake & Goodride\* LT 31/10.5R15 CR 861 bates 694 through 698.

\*These brands were never imported by FTS. HZR has indicated that they are of the identical design and construction to the Westlake, Compass and YKS tires imported by FTS in the various sizes and models.

c. Vehicle endurance tests were performed in March and April 2007 on new, HZR LTR size LT 235/85R16 manufactured by HZR the 36<sup>th</sup> week of 2005 at High Q Incorporated in Pearsall Texas. The tires were mounted on a vehicle to be driven 40,000 miles. They were continuously checked for proper inflation pressure and examined each day to rule out damage. They were examined shearographically at 20,000 miles and anomalies were found. The tires were run an additional 5,000 miles. The tires were then sectioned by

STL. By report dated May 11, 2007 STL reported that there were separations at the belt edges of all 4 tires. It was confirmed that there was no gum strip in these tires. Bates 699 through 734.

These results were compared to the High Q tests and STL analysis of the same size tire done in 2001. The results of this test were conclusive for FTS that the subject tires were not robust enough for US roads and should be recalled.

Request No. 7: Produce copies of all documentation pertaining to the tests identified in your responses to Numbers 5 and 6 above.

Response: See responses to 5 and 6 above

Request No. 8: Identify the person and/or entity that designed each of the subject tires. Identify the person and/or entity that prepared the manufacturing specifications for each of the subject tires. State when each subject tire was designed. Describe each design modification. Describe each modification of the manufacturing specifications. This information request covers a period prior to 2001 if a subject tire was designed and/or its manufacturing specifications were prepared prior to 2001.

Response: FTS is not in possession of the information sought by this request except to say that HZR was responsible for preparing all manufacturing specifications. Likewise, FTS is not in possession of the dates on when each of the subject tires were designed. HZR as the designer of the tires would have that information. With regard to each design modification, FTS had continually requested this information from HZR but was not provided it except in general terms. See notes from Gary Eiber bates number 735. There are a number of emails from Gary Eiber included in response to item 11 which may also touch on this issue.

Request No. 9: Produce copies of all documents related to the design and/or manufacturing specifications for the subject tires, including, but not limited to, those showing or reflecting tolerances, gum strip thicknesses, pre-cure and post-cure requirements, and durability levels. This information request covers a period prior to 2001 if a subject tire was designed and/or its manufacturing specifications were prepared prior to 2001.

Response: See "construction detail sheets" and Agreement on New Product Design FTS and HZR" bates 736 through 754. These documents contain general information as to certain aspects of the design of the tire. They are not detailed design or manufacturing specifications. The latter would be prepared by HZR which has taken the position that same are confidential. Also, there are a number of emails from Gary Eiber included in response to item 11 which may touch on this subject.

Request No. 10: State the quality control/assurance requirements for the manufacture of the subject tires. State what quality control/quality assurance information has been provided to FTS by HZR since 2001.

Response: HZR was responsible for quality control. The subject tires were shipped by HZR directly to FTS' customers. FTS never took physical control over the tires.

Request No. 11: Describe all assessments, analyses, tests, test results, studies, surveys, simulations, investigations, inquiries and/or evaluations (collectively, “actions”) that relate to, or any relate to, the alleged defect in the subject tires that have been conducted, are being conducted, are planned, or are being planned by, or for, FTS. This includes, but is not limited to, tests involving performance, quality assurance/control, and durability, that FTS conducted or have conducted at its direction. For each such action, provide the following information:

- a. Action title or identifier;
- b. The actual or planned start date;
- c. The actual or expected end date;
- d. Brief summary of the subject and objective of the action;
- e. Engineering group(s)/supplier(s) responsible for designing and for conducting the action; and
- f. A brief summary of the findings and/or conclusions resulting from this action.

For each action identified, provide copies of all documents related to the action, regardless of whether the documents are in interim, draft, or final form. Organize the documents chronologically by action. If an action is not complete, provide a detailed schedule for the work to be done, tentative findings and/or conclusions, and provide an update within 10 days of completion of the action.

Response: All of the testing in FTS’ possession is identified and produced in response to the above information requests. Some additional information may be found in response to number 12 below. FTS currently is not conducting any testing of HZR tires and does not contemplate any such testing except as may become necessary in a litigation context.

FTS is in possession of certain notes and emails prepared by its full time engineer, Gary Eiber. Mr. Eiber’s resume is attached as bates 755 through 757. Mr. Eiber’s documents mostly in the form of e-mail containing some of his analysis of the robustness of the subject HZR tires are provided as bates no. 758-792..

Request No 12: State, by tire brand name, model, year of manufacture, and TIN, each of the following that were received by FTS, or of which FTS is otherwise aware, which relate to, or may relate to, the alleged defect in the subject tires:

- a. Reports involving a crash, injury, or fatality, based on claims against FTS and/or HZR involving a death or injury, notices received by FTS or HZR alleging or proving that a death or injury was caused by a possible defect in a subject vehicle;
- b. Property damage claims;
- c. Warranty adjustments;
- d. Complaints, including those from fleet operators;
- e. Third-party arbitration proceedings where FTS is or was a party to the arbitration; and

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- f. Lawsuits, both pending and closed, in which FTS is or was a defendant or codefendant.

For subparts "a" through "f," state the total number of each item (e.g., fatality reports, property damage claim, warrant adjustments, etc.) separately. Multiple incidents involving the same tire are to be counted separately. Multiple reports of the same incident are also to be counted separately (i.e., a property damage claim and warranty adjustment involving the same incident in which a crash occurred are to be counted as a property damage claim and a warranty adjustment).

In addition, for items "a" through "f," provide a summary description of the alleged problem and causal and contributing factors and FTS's assessment of the problem, with a summary of the significant underlying facts and evidence. For items "e" and "f," identify the parties to the action, as well as the caption, court, docket number, and date on which the complaint or other document initiating the action was filed.

Response:

a. The only "reports" of a fatality potentially involving a subject tires are in the complaints captioned *Joao Paulo DaSilva v. General Motors et als*, pending in the Court of Common Pleas of Philadelphia County, Docket Number 004374 and the companion case of *Robert McCulley v. GM et als* pending in the same court Docket number 004376. See complaints bates 793 through 1248. FTS states that it has not had the opportunity to fully inspect the subject tire to determine if the incident was caused by the condition for which the subject tires are being recalled. FTS notes that the police report reveals that the tire damage may have been caused by the accident and that the subject vehicle had 3 Westlake tires of a size not recommended for the vehicle and a fourth tire manufactured by another company and of a different size. Tire involved Westlake 245/75R16.

b. Annexed hereto is a chart of property damage claims bates 1249 to 1285. Also annexed hereto are file materials relating to the property damage claims.

c. Attached hereto are three charts of warranty adjustments. These are sorted via model i.e. CR 857, CR860 and CR 861. Additional documents concerning warranty adjustments are annexed bates 1286 to 1424.

d. None

e. None

f. See a. above. There is also a class action suit pending. Complaint bates 1231-1248.

Request No. 13: Produce copies of all documents related to each item within the scope of Request No. 12, including, but not limited to, received complaints and warranty adjustment claims. Describe the search method used by FTS in identifying these documents. Organize the documents separately by category (i.e., fatality, property damage claims,

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warranty adjustments, etc.) and describe the method FTS used for organizing the documents.

Response: See response to 12 a-f.

Request No. 14: Separately, provide the TINs or TIN range of all subject tires that FTS suspects may have the alleged defect and identify the individuals and entities to whom FTS distributed or sold these tires. State the bases for your answer to the foregoing.

Response:

<u>Size</u>	<u>Models</u>	<u>Partial D.O.T. Number</u>
LT235/75R-15	CR861, CR857	7DT5FTS.....
LT225/75R-16	CR861	7DT8FTS.....
LT235/85R-16	CR860, CR861, CR857	7DT2FTS.....
LT245/75R-16	CR860, CR861, CR857	7DT3FTS.....
LT265/75R-16	CR860, CR861, CR857	7DT4FTS.....
LT31X10.5 R-15	CR857, CR861	7DT6FTS.....

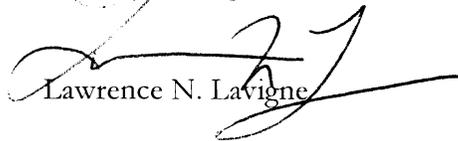
Date codes 0404-0206

See discs concerning sales of the tires annexed hereto bates FTS 1425.

Request No. 15: Provide copies of all communications with HZR related to durability and performance of the subject tires.

Response: FTS is still in the process of reviewing documents to determine if they are responsive to this request. Documents already identified are attached bates 1426 through 1524.

Very truly yours,  
Norris, McLaughlin & Marcus

  
Lawrence N. Lavigne