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July 31, 2007

By Hand Delivery

Kathleen C. DeMeter, Director
Office of Defects Investigation
National Highway Traffic Safety Administration
1200 New Jersey Avenue, SE
West Building
Washington, DC 20590

Re: Foreign Tire Sales, Inc.'s ("FTS") Tire Recall No. 07-003

Dear Ms. DeMeter:

This letter is submitted on behalf of Hangzhou Zhongce Rubber Co. Ltd ("HZR") in response to the Office of Defects Investigation's July 3, 2007 request for information relating to Foreign Tire Sales, Inc.'s ("FTS") purchase of tires from Hangzhou Zhongce Rubber Co. Ltd ("HZR") and the related "Non-Compliance Information Report," dated June 11, 2007, and the related "Supplemental and Amended Safety Defect Information Report" filed by FTS with respect to certain tires produced by HZR and imported and sold in the United States by FTS.

HZR appreciates the circumstance that, as the "importer" of the subject tires, FTS is deemed by operation of law to be the "manufacturer" of the subject tires and that, as such, FTS filed a report with NHTSA per 49 C.F.R. Part 573. HZR continues to believe that FTS's filing was ill-considered and that the tires at issue are safe and non-defective. HZR has reached out to FTS and to the agency both to provide accurate information with regard to the scope of any population that FTS decides to recall and to supply information upon which a more accurate engineering assessment can be made. HZR believes that, based on sound engineering judgment and the field experience relating to the subject tires, NHTSA and FTS should both conclude that none of the subject tires should be included within the scope of this recall.

While, as the agency has noted, HZR is a foreign corporation residing in China, HZR is voluntarily responding to the agency's Information Request and, as we set forth in our July 11, 2007 letter, we appreciate this opportunity not only to respond to the agency's questions but also to ensure that there is a more complete understanding with regard to the facts and circumstances surrounding the quality and safety of HZR products.

Overview of Issues

Although FTS's original submission was captioned a "Non-Compliance Information Report," we note that FTS amended that initial submission, noting that "the tires meet or exceed all applicable Federal Motor Vehicle Safety Standards." And, indeed, HZR has confirmed, as set forth in the detailed responses below, that it has no reason to question the compliance of these tires.

HZR's objective continues to be to provide facts and information that will allow FTS and NHTSA to make informed decisions about the accuracy of FTS's report submitted per 49 C.F.R. Part 573, and to ensure that FTS and NHTSA have adequate information to make properly informed decisions about the scope of any recall. HZR believes that, upon reviewing this data, FTS and the agency will realize that but for FTS's ill-conceived submission, owners of the subject tires need not be alarmed and inconvenienced and no recall would be necessary.

As required by 49 C.F.R. § 573.6(c)(2) and (3), FTS has to-date reported the number of tires it determined to "potentially contain[ ]" a defect" (emphasis added) and we understand that FTS may have made a determination regarding a potential population of defective tires in "good faith" as required by 49 U.S.C. § 30118(c)(1) based on the preliminary information it had at the time of that filing. We also appreciate that 49 C.F.R. § 573 requires a manufacturer to file a Part 573 defect report regarding tire populations "potentially containing the defect" regardless of whether that manufacturer has had the opportunity to determine whether, and to what extent, the potentially defective population actually contains a defect requiring inclusion in a recall.

But it is also very clear that FTS made its initial determination without certain critical information necessary to assess properly the existence of a potential defect, or the scope of potentially affected tires. We hope that the information provided here will further inform FTS's determination with respect to the population "potentially containing" a defect. It appears that the additional information provide in our July 11, 2007 letter to the agency has enabled FTS to significantly refine the scope of its recall already, and we believe that the additional facts and information provided below will further enable FTS to assess the scope and necessity of this recall, and make an accurate and informed decision with respect to that recall in the future. We look forward to providing NHTSA and/or FTS with whatever information needed to independently confirm its assessments using sound engineering judgment, and a complete factual record.

Basic Overview of Design History of Subject Tires

Through HZR's standard process of continuous product improvement, the subject tires have been built to three different and progressively enhanced design specifications over time.

- *Phase I Design*: The first subject tire design phase included the use of c-shaped (in section) gum strips which wrapped around the edge of the inner steel belt on both edges

of the belt package. The gauge thickness of this gum strip was always 0.3mm. Because this strip wrapped around the top and bottom sides of the inner belt, the total thickness added to the belt package by the 0.3mm gauge strip was 0.6mm. This design phase was tested for durability and compliance and was produced from the beginning of production of the subject tires for FTS until the fourth week of 2004. Phase I includes approximately 152,741 subject tires.

- *Phase II Design*: Although the initial tire design performed well in use, production of the Phase I design was inherently complex. The use of the c-shaped wrap-around gum strips makes the release of air between the steel belts difficult during production. Accordingly, HZR began examining alternative belt-edge designs to enhance the uniformity of production, and reduce production complexity. During that process, HZR determined that the steel belts being used in the subject Load Range E tires were thicker than those used by other manufacturers producing peer tires for the same market segment, tire size, and mileage range. The four subject tires in the Load Range E/16 inch rim size use high-strength 2+7 x 0.28mm HT steel cords in the steel belts.[1] The total thickness of each calendared steel belt is 1.8mm, which is thicker than used in many peer tires in these sizes. In addition, the total thickness of the rubber between the steel belts in the belt package is also thicker than that of many of the peer tires analyzed in these sizes (the total thickness of the rubber between steel belts in these tires is 0.740mm).[2] The thicker rubber layer allows for greater inherent belt-to-belt adhesion in the subject tires without reliance on gum strips. Elimination of the gum strip helps eliminate blisters in the belts after curing.

  In addition, HZR completed a tire finite element analysis (FEA) study which determined that the strain energy in the belt edge was essentially the same in both designs with and without the gum strips.[3] HZR analyzed and tested prototype subject tires without the c-shaped wrap around gum strip and found that a superior tire could be produced more consistently.[4] The design testing showed that adhesion between the steel belts and rubber in tear-tests of the subject tires was excellent.[5] Overall, the use of 1.8mm thick belts, with 2+7 x 0.28mm HT steel cords, was found to create superior belt-to-belt bonding than found in tires that required gum strip wrapping. The thicker and higher tensile strength steel cords in the load range E tires also resulted in a tire with increased strength

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[1] The smaller 15 inch rim subject tires have a lower Load Range of C/ (6-ply rating) and used corresponding 3+9 x 0.22 steel chords. The steel chord materials used in the subject tires has remained the same for the 15 and 16 inch sizes throughout all three phases of production, the 16 inch Load Range E tires have always used 2+7 and the 15 inch Load Range C tires have always used 3+9 chords.

[2] A table of specifications for peer tires, including the subject tires is included at Tab 6.C.

[3] See Tire Finite Element Analysis Report by Haerbin Institute of Technology dated 10/29/2003 at Tab 6.B.

[4] Development stage testing of the Phase II tire design is include at Tab 6.A.

[5] Adhesion bond between the steel belts was measured in peel tests at between 560N and 580N.

and stiffness in the tire crown. The enhanced rubber bonding, and enhanced crown strength resulted in a tire that did not need gum strips wrapping the belt edge to attain the same or better level of performance and durability.

Additional endurance testing was conducted on Phase II design tires in 2005.[6] The 2003 development stage and 2005 post-production endurance testing results both confirmed that the high speed and endurance level for the Phase II design was essentially the same, or superior, for Phase II. The endurance testing protocol for the subject tires was significantly more stringent and demanding than the endurance levels required by the Federal Motor Vehicle Safety Standard (FMVSS) 119 for these tires. Specifically, the stepped endurance testing performed included completing the three load steps and time intervals required by FMVSS 119, and then continuing to increase the load applied by 10% every 10 hours until tire failure.[7] The Phase II design was produced from the fifth week of 2004 to the second week of 2006. Approximately 270,014 Phase II design tires were manufactured for the U.S.[8]

Importantly, one of the six subject tire sizes, which was built between during a portion of the Phase II time-frame, was never built to the Phase II design. Specifically, the LT225/75R16 tire was not introduced at the same time as the other subject tire sizes. The LT 225/75R16 was not produced until the fourth quarter of 2005, and has always been built to the Phase III design, and has always included the Phase III gum wedge.

- *Phase III Design:* Although the Phase II design has performed well in tests and in-use, the need to eventually certify tires to NHTSA's new FMVSS No.139 required additional design enhancements beyond the Phase II tire. The Phase III design phase incorporated belt gum wedges between belts and then nylon edge strips on the tire shoulder in order for tires in this market segment to meet the new high-speed performance requirements of FMVSS No. 139.

  The Phase III tire design, which was ultimately certified to the latest and most demanding federal standard, and is the highest performing of the three subject designs, does not use the belt-edge-wrapping gum strip that was used in the Phase I design. The Phase III design used a wedge-shaped gum strip between the steel belts that did not wrap around either belt. The Phase III design began phase-in in the third week of January, 2006. All subject tires incorporated the wedge shaped gum strip beginning in the third week of

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[6] Additional endurance testing reports for the Phase II design are included at Tab 7.B.1, 7.B.2 & 7.B.3 in response to Request # 7.

[7] Test reports for the stepped endurance testing performed on the three design phases is included at Tabs 6 and 7.

[8] This total does not include the 3,522 LT 225/75R16 tires built with a Phase III-type belt wedge in 2005. As noted above, production of this tire size began at the end of the Phase II time period, but was always built to the Phase III design.

January 2006. The nylon edge strips were incorporated into production of the various tire sizes between the third week in January 2006, and the 21st week of 2006 in order to be FMVSS 139 compliant.

As set forth in the documents provided in response to Request #s 6, 7 and 8, the original design and each design enhancement was subjected to aggressive stepped durability testing, and was validated for compliance with the applicable U.S. Federal Motor Vehicle Safety Standards and customer endurance standards before being released for serial production.

Tires Sold to Other Importers

NHTSA has issued a series of information requests in EQ07-002 to U.S. companies that it believes may have imported light truck tires manufactured by HZR of the same size and design as those alleged by FTS to contain a defect. Those information requests ask if those companies have imported tires of "similar construction" to the tires referenced in FTS's Part 573 submissions. Although HZR has confirmed that it has sold light truck tires to certain U.S. importers other than FTS, none of those comparable tires were sold to U.S. importers other than FTS prior to April 2006. Production of Phase II tires ended in the second week of January 2006. HZR has confirmed that the production dates for all tires shipped to these other importers was after the fourth week of 2006, when all production had shifted to Phase III tires.

Basis For FTS Defect Determination

The factual basis for FTS's defect determination is highly questionable, and unclear at best.

According to FTS's Part 573 submissions, the primary basis appears to be FTS's assumption that a gum strip that was intended to be included in the Phase II tire design was improperly omitted. As explained above, this assumption is incorrect. The Phase II tire design did not include a gum strip per the design for this tire, and the durability of this design was confirmed by durability testing. The presence of gum strips in cured tires is very difficult to detect. FTS's Part 573 submissions indicate that its visual inspections regarding the nature of gum strips used in the subject tires were ultimately "not conclusive" and none of its experts identified the difference between a gum strip belt edge wrapping, and a belt wedge. As discussed above, the performance and durability of the Phase II tire design without the gum strips was confirmed by testing.

FTS also references two different series of tests conducted on tires from the Phase II design period which appear to have produced conflicting results according to FTS. FTS indicates that in August 2006, tires manufactured in 2005 (Phase II design) were subjected to pulley wheel tests conducted at Standard Testing Laboratories. In those tests, FTS reports that "all [Phase II design] tires far exceeded the requirements of FMVSS 119 with the shortest time to failure being

77 hours; well in excess of the Federal Standard of 47 hours . . . This is proof that the tires even without gum strips, far exceeded FMVSS!"

FTS then references vehicle endurance testing it conducted in March 2007 on what appear to be old-stock tires manufactured in 2005 (Phase II design). According to FTS, nondestructive laser photographic "shearography analysis revealed belt separations in the tested tires at 20,000 miles; the tests were halted at 25,000 miles." We have no information on how the mileage was accumulated on these tires, how they were aged, whether they were subjected to road hazards or other factors that would impact tire life and why a decision was made to stop the testing at 25,000 miles before there was externally visible evidence of tread separation.

FTS submitted a test report from STL dated May 11, 2007 with its initial "Non-compliance Information Report" which appears to reference the shearography and section analysis of these tires which indicated possible early stage incipient internal separations. There is no indication of the level/size of incipient separation, no information on the base-line level of separation, and no information about whether these cracks were actually growing over time. There is no indication of the mileage that had been accumulated on these tires in the test report and no allegation that these tires suffered premature tread detachment, or that they would have done so if they had been allowed to accumulate the full recommended tread mileage. FTS also references vehicle endurance testing conducted "in 2002" (with different sized tires) in which the subject tires accumulated "40,000 miles" without exhibiting any externally visible separations. It is not clear whether these tires were subjected to shearography examinations or sectioned, and it is not clear whether these tires actually performed any differently than the tires whose tests were suspended at 25,000 miles in 2007 based on shearography. HZR's records relating to the joint HZR/FTS High Q testing are included at Tab 7.A.2.[9]

As indicated in the attachments at Tab 7.A.2, two rounds of High Q ATE testing were conducted. In addition to the 2002 testing FTS references in its Part 573 report, testing High Q ATE was also conducted on subject tires in 2001. In the 2001 High Q testing, test results were provided to HZR on five LT 235/75R16 tires. The attached results provided indicate that the mileage accumulated on these tires five tires was: 495; 1,000; 20,000; 35,000; and 34,005 miles respectively. The test results do not explain why this testing program was stopped at 35,004 miles, or why certain tires were changed out at less than 35,000 miles. No shearography results were included with these test results.

In 2002, LT 245 tires were tested by High Q, and results were provided on six tires. The results provided indicate that the mileage accumulated on these six tires was: 35,000; 35,000; 30,000; 10,000; 25,000; and 1,740 miles respectively. The test results do not explain why this testing program was stopped at 35,000 miles, or why certain tires were changed out at less than 35,000

[9] Note that the High Q test conditions are much more severe than typical service conditions. The High Q testing is conducted at a constant high ambient temperature, and with reduced inflation pressures (35 psi on front axle).

miles. If some or all of these tires were tested to failure, then it is not clear that the tires in the 2001 and 2002 road tests performed any differently than the tires in the 2007 High Q test would have performed if that testing program had not been stopped at 25,000 miles.

It is impossible to determine the real significance of the 2007 road testing without more information about the shearography done in 2001 and 2002 (if there was any), and without being able to compare the growth of incipient belt edge cracking in these tires to the crack growth in tires of other construction specifications, such as Phase I tires. For all of these reasons, no reliable conclusions can be drawn from the 2007 test results about the relative tread separation durability of Phase II tires compared to Phase I or Phase III.

Finally, FTS references a single accident in Pennsylvania involving a van rollover accident which appears to be a primary factor underlying FTS's report to NHTSA. According to FTS, this van was equipped with three subject tires in the 245/75R16 size that were not the recommended size for this vehicle, and one Michelin tire sized 225/75R16, that was the recommended size. A lawsuit has been filed regarding this accident, and the plaintiff's counsel has not permitted HZR to access the vehicle. HZR has not had an opportunity to investigate this incident and does not know whether it was caused by tire failure, but if it was, there appear to have been a number of contributing factors to this accident separate and distinct from tire design. Operating a vehicle with improperly matched tires subjects the tires to significant abnormal stresses, and is a potentially dangerous practice that is not recommended by any tire maker. Using tires that are not properly sized for the vehicle also introduces a host of additional failure modes resulting exclusively from their incompatibility with the vehicle.

The responses to NHTSA's requests numbered 1-16 are provided below following a restatement of the Agency's original requests.

Request No. 1: *Describe HZR's business relationship with FTS. State when that relationship began and whether or not it is ongoing. Include in this description a listing of HZR's shipments of the* ***Subject Tires*** *to FTS from January 1, 2006 to present. For each such shipment, include: the date FTS placed the order; the date HZR fulfilled the order; an identification of the tire lines included; the sizes of the tires included; and the quantity shipped. If it is not ongoing, please state when it terminated.*

Response to Request No. 1:

HZR and FTS began conducting business in 1990, and their business relationship has lasted approximately seventeen (17) years. HZR and FTS first entered into a Long Term Agreement on November 16, 1990, and have conducted business, pursuant to various agreements, since that

time. The agreements are attached collectively under Tab 1.A.[10] Zhejiang Chemical Industry Import and Export Company was a party to the November 16, 1990 agreement because HZR did not have a license for foreign trade at that time. However, on January 12, 1995, the agreement was modified and HZR became a party to the agreement.

Pursuant to the agreements between HZR and FTS, HZR was responsible for the design and manufacture of the Subject Tires, and FTS was responsible for the importation and sale of the tires in the United States.[11]

HZR sold the Subject Tires to FTS exclusively for importation into the United States until December 2, 2005 when the exclusivity agreement was terminated. As detailed in response to Request 16, other distributors began to sell Phase III Subject Tires in the United States in 2006.

HZR's last shipment of Subject Tires to FTS was in 2006. A chart detailing the shipments of Subject Tires from HZR to FTS since January 2006 is attached under Tab 1.B This chart includes the date FTS placed the order; the date HZR fulfilled the order; an identification of the tire lines included; the sizes of the tires included; and the quantity shipped. On June 28, 2007, FTS informed HZR that it would no longer be purchasing tires from HZR.

Request No. 2: *Identify by name, address, and phone number, any and all U.S. companies or individuals for whom HZR manufactured or to whom HZR sold or otherwise distributed* ***U.S. Market Comparable Tires****. For each such entity or individual identified, identify the tires manufactured or sold by brand or trade name, model or tire line, size and load range. Then, as to each group of tires identified, state that group's dates of manufacture and the quantities manufactured. Also, for any commercial entities identified, please also provide the name, address, and phone number of any and all individuals with whom HZR communicated or coordinated concerning the manufacturing or sale of those tires.*

Response to Request No. 2:

HZR has manufactured two types of tires meeting the agency's definition of U.S. Market Comparable Tires ("comparable tires"). The first "comparable tire" is the H280, which is available in the following five sizes: LT235/75R15, LT235/85R16, LT245/75R16,

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[10] All tabs and attachments, including Tab 1.A., referenced herein are contained on the confidential compact disk which was submitted under a request for confidential treatment pursuant to 49 C.F.R. Part 512.

[11] One agreement dated January 10, 2000, included technical issues, those issues related solely to bias – not radial – tires. In particular, the January 10, 2000 agreement addressed a colored gum strip, which is used for examining the tightness of the turn up of body-ply in bias tire testing. It is not used for steel-belt radial tires such as the Subject Tires.

LT265/75R16, 31X10.5R15LT. The second "comparable tire" is the H280B/H280C, both of which have the same structure and compound. The H280B/H280C is available in the following sizes: LT225/75R16, LT235/75R16, LT235/85R16, LT245/75R16, LT265/75R16, 31X10.5R15LT.

The following is a list of the distributors to whom HZR has sold "comparable tires" for sale in the United States and contact information for the individuals primarily responsible for communicating and coordinating with HZR regarding the manufacturing or sale of these tires:

Tireco, Inc.
300 West Artesia Boulevard
Campton, California 90220-5530
310-604-8760
Contact Person: Robert W. Liu
(robert1@tireco.com)

Strategic Import Supply Co.
3310 Hazelwood West
Wayzata, Minnesota 55391
952-945-9944
Contact Person: David Penn
(DavidLPenn@comcast.net)

Omni United USA, Inc.
102 Scot Court
Fairfield, California 94534
741-343-6383
Contacts: Steve Tamietti
G.S. Sareen
(659-816-0125)

Goodyear Tire Management Company (Shanghai) Ltd.
Suite 2002, The Center, 989 Chag Le Road,
Shanghai China
(86-21) 613 26112
Contact: Manj Mehta (86- 13611925424)

Attached under Tab 2 are charts of the Comparable Tires shipped to these manufacturers, which include the distributors to whom the tires were sent, the brand, the pattern, the quantity shipped and the date of manufacture for the shipped tires. All of the comparable tires sent to distributors other than FTS for sale in the United States were Phase III tires and were manufactured after the fourth week of 2006.

Request No. 3: *With regard to the **Subject Tires**, and from calendar year 2000 to present, summarize by date all communications between HZR and FTS relating in any way to:*

a) Specifications;
b) Certifications to U.S. standards;
c) Test failures; and
d) Reported field failures, including, but not limited to, tread and/or belt separations or other field tire failures on the tires.

Also, produce copies of any communications summarized.

Response to Request No. 3:

All communications between HZR and FTS relating in any way to specifications, certifications to U.S. standards, test failures, and reported field failures on the subject tires provided by HZR to date are attached at Tab 3.

With respect to the requested summary regarding specifications communications, it is evident from the attached documents, that HZR was responsible for the internal design and construction details of the subject tires; FTS did not provide detailed design specifications, and in particular, did not specify a gum strip. The requirements for the subject tires that were provided by FTS were set forth in the documents at Tab 9.B that are entitled "Agreement on New Product Design." There are seven of these one-page agreements. Each one-page agreement indicated in a handwritten, fill-in-the-blank format basic information about each tire to be produced, such as the tire size, whether the tire is a light truck tire or other, the ply rating, tread pattern depth, tread arc width, tube or tubeless, etc. These sheets did not specify the internal construction details of the tires, such as whether or not gum strips would be used.

With respect to certifications to U.S. standards, in addition to the correspondence attached at Tab 3, additional documents related to U.S. Certification are attached at Tabs 6 and 7.

With respect to test failures and reported field failures, the only communications related directly to field failures identified so far relate to the two field failures in Pennsylvania and New Mexico that were also referenced in FTS's Part 573. In addition, there is occasional correspondence about the process of submitting warranty claims and property adjustments for reimbursement, which indirectly also relate to field failures to the extent the underlying warranty claims reflect legitimate claims of premature tire failure.

With respect to the use of gum strips in Phase II tires, the attached correspondence indicates that this issue was discussed beginning in December 2005. In December 2005, HZR informed FTS of its intention to sell comparable tires to distributors in the United States other than FTS, and

they then entered into a new agreement, which is attached under Tab 3. Also beginning in December 2005, FTS began to question the construction of the subject tires, and in particular, the absence of a gum strip. This was simultaneous with HZR's planning to begin construction of a tire to comply with FMVSS 139. Much of the discussion during this time-period related to whether to include in these tires a nylon cap and/or a wedge.

Request No. 4: *With regard to **U.S. Market Comparable Tires**, and from calendar year 2000 to present, summarize by date all communications between HZR and any U.S. entity, including FTS, relating in any way to:*

a) Specifications;
b) Certifications to U.S. standards;
c) Test failures; and
d) Reported field failures, including, but not limited to, tread and/or belt separations or other field tire failures on the tires.

Also, produce copies of any communications summarized.

Response to Request No. 4:

The U.S. Market Comparable tire design is the exclusive design of HZR, so there are no communications with other distributors related to the technical information, testing or specifications. All responsive communications with FTS are attached at Tab 3.

Request No. 5: *State, by brand name and/or model name, size, and year of manufacture, the number of subject tires HZR manufactured for or sold to FTS, from calendar year 2000 to the present.*

Response to Request No. 5:

Attached at Tab 5.A is a chart of shipments of Subject Tires made to FTS from 2000 to 2006. This chart includes the size, pattern, brand, years during which the tires shipped, the quantity of tires shipped and the years in which the shipped tires were manufactured. As evident from this chart, HZR shipped Subject Tires to FTS from 2001 through 2006, and a total of approximately 447,788 – consisting of Phase I, II and III Subject Tires – were shipped during that time. Also, attached under Tab 5.B is a listing of all of the invoices for Subject Tires from 2001 through 2006.

Request No. 6: *Describe all assessments, analyses, tests, test results, studies, surveys, simulations, investigations, inquiries, and/or evaluations (collectively "actions") that relate to, or may relate to, the reported defect in the **Subject Tires** that have been conducted or are being conducted by or for*

HZR, or for or by FTS. For each such action, provide the following information:

a) Action title or identifier;
b) The actual start date;
c) The actual 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 the 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.

Response to Request No. 6:

The defect alleged by FTS is the absence of rubber gum strips in a subset of subject tires.

Prior to receiving the agency's July 3, 2007 information request, the one assessment or analysis of the performance of the subject tires without gum strips was the analysis done in connection with the development of the Phase II design, which was described above.

HZR has provided the following documents at Tab 6 related to this assessment:

- Tire Durability Tests Reports for Tire Type LT 235/85R16-10PR (11/11/2003, 11/13/2003, & 11/22/2003)
- Tire Endurance Test Reports for Tire Type LT 245/75R16-10PR (11/13/2003)
- Tire Durability Test Reports for Tire Type LT 265/75R16-10PR (11/13/2003)
- Haerbin Industrial University Tire Finite Element Analysis Report for Tire Type LT 245/75R16 (10/29/2003)
- Similar Specification Data List for Peer Tires
- The Regulation of Radial Tire Testing No. Zi -02-24 (Unification of National Standard with the ECE Testing Standard)

After receiving the agency's July 3, 2007 information request, HZR began an additional review of the durability of the subject tires. The property damage claims rate for the subject tires is extremely low. HZR has collected a total of 11 property damage claims as of the time of this information request, which reflects a property damage claims rate of 0.0025% of the approximately 447,788 subject tires purchased by FTS. These eleven property damage claims

had an average vehicle repair cost of approximately $1,722 which is consistent with minor fender well damage, rather than total vehicle loss or major collision damage.

Similarly, the warranty adjustment rates for these tires is very low for tires in this market segment and vehicle application. As of July 3, 2007, the total number of warranty claims related to any type of tire condition received from FTS was 3,609. The number of warranty adjustments screened and accepted by HZR was 1,540 or 0.34% of the subject tire population. These claims include adjustments for conditions such as ride disturbance, sidewall issues, bead area issues, and other conditions not related to the alleged defect in any way. The number of unscreened warranty adjustments submitted by FTS for either partial or complete tread loss is 306, which is 0.07% of the total population. This is a very low warranty adjustment rate, and represents excellent tread attachment performance in-use, especially for entry-level 35,000 mile load range E tires in this type of application.

Request No. 7: *Describe all assessments, analyses, tests, test results, studies, surveys, simulations, investigations, inquiries, and/or evaluations (collectively "actions") that relate, or may relate, to U.S. certification or compliance, durability, performance, or safety, of the* ***Subject Tires****, and that were not summarized in response to question 6. For each such action, provide the following information:*

a) Action title or identifier;
b) The actual start date;
c) The actual 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 the 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.

Response to Request No. 7:

For each design phase, HZR conducted various compliance and general durability tests on the subject tires to confirm that they met relevant U.S. compliance standards and customer durability expectations. These tests include plunger-type strength tests, high-speed-tests, and the enhanced stepped endurance testing described in the overview, in which tires were tested to FMVSS 119 standards for the required load index % and required duration, and then subjected to a 10% increase in load every 10 hours until tire failure.

Phase I Testing

HZR has provided the following documents related to the results of these tests for Phase I tires at Tab 7.A:

- Tire Type LT235/75R15-6PR, Tire Dimension / Static Loaded Performance Test Data Sheet (07/08/2003)
- Tire Type LT235/75R15-6PR, Tire Strength Test Data Sheet (07/08/2003)
- Tire Type LT235/75R15-6PR, High Speed Test Data Sheet (07/08/2003)
- Tire Type LT235/75R15-6PR, Endurance Test Report (07/15/2003)
- Tire Type LT235/85R16, Tire Dimension / Static Loaded Performance Test Data Sheet (06/17/2003)
- Tire Type LT235/85R16, Tire Strength Test Data Sheet (12/26/2002)
- Tire Type LT235/85R16, High Speed Test Data Sheet (04/17/2003)
- Tire Type LT235/85R16, Durability Test Report (06/21/2003)
- Tire Type LT 245/75R16, Tire Dimension / Static Loaded Performance Test Data Sheet (08/13/2003)
- Tire Type LT 245/75R16, Tire Strength Test Data Sheet (06/17/2003)
- Tire Type LT 245/75R16, High Speed Test Report (08/25/2003)
- Tire Type LT 245/75R16, Durability Test Report (08/18/2003)
- Tire Type LT 265/75R16, Tire Dimension / Static Loaded Performance Test Data Sheet (07/08/2003)
- Tire Type LT 265/75R16, Tire Strength Test Data Sheet (07/08/2003)
- Tire Type LT 265/75R16, High Speed Test Report (03/04/2003)
- Tire Type LT 265/75R16, Durability Test Report (08/08/2003)
- Tire Type 31X10.50R15, Tire Dimension / Static Loaded Performance Test Data Sheet (06/23/2003)
- Tire Type 31X10.50R15, Tire Strength Test Data Sheet (07/08/2003)
- Tire Type 31X10.50R15, High Speed Test Report (10/12/2003)
- Tire Type 31X10.50R15, Endurance Test Report (08/24/2003)
- HIGHQATE Test Reports (05/08/2002 & 05/22/2002)

Phase II Testing

In addition to the pre-production Phase II testing documents provided in response to request #6, HZR has provided the following documents related to tests for Phase II tires at Tab 7.B:

- Tire Type LT 225/75R16-10PR, Tire Dimension / Static Loaded Performance Test Data Sheet (10/16/2004)
- Tire Type LT 225/75R16, Tire Strength Test Data Sheet (10/15/2004)
- Tire Type LT 225/75R16, High Speed Test Report (05/24/2005)

- Tire Type LT 225/75R16, Tire Endurance Test Data Sheet (09/07/2005)
- Tire Type LT 235/85R16, High Speed Test Reports (dates 11/05/2004 & 07/28/2005)
- Tire Type LT 235/85R16, Endurance Test Reports (dates 06/15/2005 & 08/17/2005)
- Tire Type LT 245/75R16, High Speed Test Report (03/31/2004)
- Tire Type LT 245/75R16, Endurance Test Report (06/15/2005)
- Tire Type LT 265/75R16, High Speed Test Report (08/31/2004)
- Tire Type LT 265/75R16, Endurance Test Report (08/01/2005)

Phase III Testing

HZR has provided the following documents related to tests for Phase III tires at Tab 7.C:

- Tire Type LT 225/75R16, High Speed Test Report (06/10/03)
- Tire Type LT 225/75R16, Tire Endurance Test Data Sheet (10/10/2006)
- Tire Type LT 235/75R16, High Speed Test Report (11/02/2006)
- Tire Type LT 235/75R15, Tire Endurance Test Data Sheet (07/28/2006)
- Tire Type LT 235/85R16, High Speed Test Report (09/29/2006)
- Tire Type LT 235/85R16, Tire Endurance Test Data Sheet (10/10/2006)
- Tire Type 245/75R16, High Speed Test Reports (01/31/2006 & 02/01/2006)
- Tire Type 245/75R16, Tire Endurance Test Data Sheets (02/06/2006 & 03/27/2006)
- Tire Type 265/75R16, High Speed Test Reports (02/01/2006)
- Tire Type 265/75R16, Tire Endurance Test Data Sheet (02/05/2006)
- Tire Type 31X10.50R15, High Speed Test Report (09/29/2006)
- Tire Type 31X10.50R15, Tire Endurance Test Data Sheet (10/10/2006)
- SMITHERS Report (09/07/2006)

Field Test Reports

HZR has provided the following documents relating to field test reports from 2001 through 2006 at Tab 7.D:

- Field Test Reports For Tire Type LT/235/85R16 (11/26/2001 through 12/27/2006)
- Field Test Reports For Tire Type LT/245/75R16 (03/18/2002 through 11/15/2006)
- Field Test Reports For Tire Type LT/265/75R16 (09/10/2002 through 12/17/2006)
- Field Test Reports For Tire Type LT/235/75R15 (06/13/2003 through 12/16/2006)
- Field Test Reports For Tire Type 31X10.50R15 (06/25/2003 through 12/17/2006)
- Field Test Reports For Tire Type LT/225/75R16 (08/26/2005 through 12/10/2006)

Test Protocols and Descriptions

HZR has provided the following documents describing these tests generally at Tab 7.E:

- U.S. Federal Motor Vehicle Safety Standard 119
- U.S. Federal Motor Vehicle Safety Standard 139
- The Regulation of Radial Tire Testing No. Zi -02-24 (Unification of National Standard with the ECE Testing Standard)
- Testing Method of Indoor Performance of PCR and LTR (Q/HZR03191-2007)
- National Standard of the People's Republic of China Regarding Truck Tires (GB9744-1997)
- National Standard of the People's Republic of China High Speed Performance Test for Light Tires Regarding Drum Method (GB/T7035-93)
- United Nation Regulation No. 54, Uniform Provisions Concerning the Approval of Pneumatic Tires for Commercial Vehicles and their Trailers

Request No. 8: *Describe all assessments, analyses, tests, test results, studies, surveys, simulations, investigations, inquiries, and/or evaluations (collectively "actions") that relate, or may relate, to U.S. certification or compliance, durability, performance, or safety, of the* ***U.S. Market Comparable Tires****, and that were not summarized in response to question 6. For each such action, provide the following information:*

a) Action title or identifier;
b) The actual start date;
c) The actual 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 the 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.

Response to Request No. 8:

Tires meeting the definition of "U.S. Market Comparable Tires" would have been tires imported into the U.S. by entities other than FTS in 2006 or later, as described in response to Request #2 and #4. Tires built beginning in the third week of 2006 were built during Phase III to the same underlying tire design specifications as Subject tires built at that same time. In addition to the assessments and analysis documentation at Tab 7 relating to Phase III subject tires, the

following documents at Tab 8 relate to the assessments and analysis of U.S. Market Comparable tires.

- US Market Comparable Tires (H280 Test Reports) at Tab 8.A:
  - Tire Type LT 235/75R15, Tire Dimension Test Data Sheets (01/03/2003 & 09/12/2006)
  - Tire Type LT 235/75R15, Tire Strength Test Data Sheets (01/21/2003 & 09/23/2006)
  - Tire Type LT 235/75R15, High Speed Test Reports (01/03/2003 & 09/30/2006)
  - Tire Type LT 235/75R15, Endurance Test Reports (01/12/2003 & 08/28/2006)
  - Tire Type LT 235/85R16, Tire Dimension Test Data Sheet (03/16/2005)
  - Tire Type LT 235/85R16, Tire Strength Test Data Sheet (03/16/2005)
  - Tire Type LT 235/85R16, High Speed Performance Testing Reports (03/16/2005 & 08/04/2006)
  - Tire Type LT 235/85R16, Tire Endurance Test Data Sheets (03/15/2005 & 08/05/2006)
  - Tire Type LT 245/75R16, Tire Dimension Test Data Sheet (08/31/2005)
  - Tire Type LT 245/75R16, Tire Strength Test Data Sheet (08/31/2005)
  - Tire Type LT 245/75R16, High Speed Performance Testing Reports (09/02/2005 & 06/10/2006)
  - Tire Type LT 245/75R16, Tire Endurance Test Data Sheets (09/19/2005 & 07/07/2006)
  - Tire Type LT 265/75R16, Tire Dimension Test Data Sheet (10/26/2005)
  - Tire Type LT 265/75R16, Tire Strength Test Data Sheet (10/26/2005)
  - Tire Type LT 265/75R16, High Speed Performance Testing Reports (12/06/2005 & 09/22/2006)
  - Tire Type LT 265/75R16, Tire Endurance Test Data Sheets (08/06/2005 & 07/27/2006)
  - Tire Type 31X10.5R15, Tire Dimension Test Data Sheets (08/02/2002 & 10/26/2005)
  - Tire Type 31X10.5R15, Tire Strength Test Data Sheets (08/01/2002 & 10/26/2005)
  - Tire Type 31X10.5R15, High Speed Test Reports (09/18/2002, 02/17/2005 & 03/17/2006)
  - Tire Type 31X10.5R15, Endurance Test Reports (10/03/2002, 06/20/2005 & 03/24/2006)

- US Market Comparable Tires (H280B Test Report) at Tab 8.B:
  - Tire Type LT 235/75R15, Tire Dimension Test Data Sheet (09/12/2006)
  - Tire Type LT 235/75R15, Tire Strength Test Data Sheet (09/12/2006)
  - Tire Type LT 235/75R15, High Speed Performance Testing Reports (09/07/2006 &09/09/2006)
  - Tire Type LT 235/75R15, Tire Endurance Test Data Sheet (09/11/2006)
  - Tire Type LT 235/85R16, Tire Dimension Test Data Sheet (08/28/2006)
  - Tire Type LT 235/85R16, Tire Strength Test Data Sheet (09/29/2006)
  - Tire Type LT 235/85R16, High Speed Performance Testing Reports (08/15/2006 & 08/25/2006)
  - Tire Type LT 235/85R16, Tire Endurance Test Data Sheet (08/26/2006)
  - Tire Type LT 245/75R16, Tire Endurance Test Data Sheets (08/26/2006 & 11/02/2006)
  - Tire Type LT 245/75R16, Tire Dimension Test Data Sheet (08/31/2006)
  - Tire Type LT 245/75R16, Tire Strength Test Data Sheets (08/31/2006 & 09/29/2006)
  - Tire Type LT 245/75R16, High Speed Performance Testing Reports (08/30/2006 & 08/30/2006)
  - Tire Type LT 245/75R16, Tire Endurance Test Data Sheet (08/31/2006)

- Tire Type LT 265/75R16, Tire Dimension Test Data Sheet (11/29/2006)
- Tire Type LT 265/75R16, Tire Strength Test Data Sheet (09/27/2006)
- Tire Type LT 265/75R16, High Speed Performance Testing Reports (09/07/2006 & 09/08/2006)
- Tire Type LT 265/75R16, Tire Endurance Test Data Sheet (12/29/2006)
- Tire Type LT 225/75R16, Tire Dimension Test Data Sheets (09/12/2006 & 10/03/2006)
- Tire Type LT 225/75R16, Tire Strength Test Data Sheet (09/12/2006)
- Tire Type LT 225/75R16, High Speed Performance Testing Report (09/08/2006)
- Tire Type LT 225/75R16, Tire Endurance Test Data Sheet (09/13/2006)
- Tire Type 31X10.5R15, Tire Dimension Test Data Sheet (09/13/2006)
- Tire Type 31X10.5R15, Tire Strength Test Data Sheet (08/31/2006)
- Tire Type 31X10.5R15, High Speed Performance Testing Reports (08/30/2006 & 09/01/2006)
- Tire Type 31X10.5R15, Tire Endurance Test Data Sheet (08/31/2006)

- US Market Comparable Tires (H280C Test Report) at Tab 8.C:
  - Tire Type LT 235/75R15, Tire Dimension Test Data Sheet (10/30/2006)
  - Tire Type LT 235/75R15, Tire Strength Test Data Sheet (10/30/2006)
  - Tire Type LT 235/75R15, High Speed Performance Testing Reports (10/28/2006 & 10/28/2006)
  - Tire Type LT 235/75R15, Tire Endurance Test Data Sheet (11/02/2006)
  - Tire Type LT 235/85R16, Tire Dimension Test Data Sheet (10/26/2006)
  - Tire Type LT 235/85R16, Tire Strength Test Data Sheet (10/25/2006)
  - Tire Type LT 235/85R16, High Speed Performance Testing Reports (10/28/2006 & 10/26/2006)
  - Tire Type LT 235/85R16, Tire Endurance Test Data Sheet (10/25/2006)
  - Tire Type LT 245/75R16, Tire Dimension Test Data Sheet (11/28/2006)
  - Tire Type LT 245/75R16, Tire Strength Test Data Sheet (11/28/2006)
  - Tire Type LT 245/75R16, High Speed Performance Testing Reports (11/26/2006 & 11/26/2006)
  - Tire Type LT 245/75R16, Tire Endurance Test Data Sheet (11/30/2006)
  - Tire Type LT 265/75R16, Tire Dimension Test Data Sheet (11/30/2006)
  - Tire Type LT 265/75R16, Tire Strength Test Data Sheet (11/30/2006)
  - Tire Type LT 265/75R16, High Speed Performance Testing Reports (09/22/2006 & 09/22/2006)
  - Tire Type LT 265/75R16, Tire Endurance Test Data Sheet (11/28/2006)
  - Tire Type LT 225/75R16 Tire Dimension Test Data Sheet (10/27/2006)
  - Tire Type LT 225/75R16, Tire Strength Test Data Sheet (10/27/2006)
  - Tire Type LT 225/75R16, High Speed Performance Testing Reports (10/26/2006 & 10/26/2006)
  - Tire Type LT 225/75R16, Tire Endurance Test Data Sheets (10/29/2006 & 02/22/2007)
  - Tire Type 31X10.5R15, Tire Dimension Test Data Sheet (10/29/2006)
  - Tire Type 31X10.5R15, Tire Strength Test Data Sheet (10/29/2006)
  - Tire Type 31X10.5R15, High Speed Performance Testing Reports (10/26/2006 & 10/26/2006)
  - Tire Type 31X10.5R15, Tire Endurance Test Data Sheet (10/29/2006)

- H280 US Market Comparable Tires Field Test Reports For Tire Type 235/75R15 (06/13/2003 through 10/10/2006)

- H280 US Market Comparable Tires at Tab 8.D:
  - Field Test Reports For Tire Type 235/85R16 (08/31/2005 through 12/27/2006)
  - Field Test Reports For Tire Type 245/75R16 (04/23/2005 through10/13/2006)
  - Field Test Reports For Tire Type 265/75R16 (02/24/2005 Through 12/17/2006)
  - Field Test Reports For Tire Type 31X10.50R15 (06/25/2003 through 12/17/2006)

- H280B US Market Comparable Tires at Tab 8.E:
  - Field Test Reports For Tire Type LT 235/75R15 (12/17/2006)
  - Field Test Reports For Tire Type LT 235/85R16 (12/14/2006)
  - Field Test Reports For Tire Type LT 245/75R16 (12/17/2006)
  - Field Test Reports For Tire Type LT 265/75R16 (12/13/2006)
  - Field Test Reports For Tire Type 31X10.50R15 (12/20/2006)

Request No. 9: *Describe in detail the tire design, materials, and specifications of each of the subject tires, as initially produced by HZR.*

Response to Request No. 9:

The general design of the original Phase I tire is described above. As explained above, the original Phase I design differed from the Phase II design in that the Phase I design contained a 0.3mm thick wrap-around gum strip wrapping around both edges of the inner steel belt. Both the Phase I and Phase II tires contained the same steel belt package with the same steel wire (2+7 x 0.28mm HT in load range E) and same rubber skim coat/calendaring (total belt thickness of each belt 1.80mm LRE). Tab 9 contains the following information describing the design, materials, and specifications for the Phase I tires initially produced by HZR, in various sizes:

- Original Design Documents Regarding Tires With Gum Strip at Tab 9.A:
  - Specifications of Light Truck Radial Tire Type 235/75R15
  - Specifications of Light Truck Radial Tire Type 235/85R16
  - Specifications of Light Truck Radial Tire Type 245/75R16
  - Specifications of Light Truck Radial Tire Type 265/75R16
  - Specifications of Light Truck Radial Tire Type 31X10.50R15

- Agreements On New Product Design Between FTS and HZR (7 partially handwritten fill-in-blank sheets) at Tab 9.B.

Request No. 10: *Provide a copy of all specifications including, but not limited to, design, material composition, manufacturing, certification, and quality specifications, for the* ***Subject Tires****. For each such specification identify:*

a) What kind of specification it is (e.g., design, manufacturing, etc.);

b) Provide its dates of production;
c) Produce copies of any associated drawings or blue prints; and
d) Identify by name, address, and phone number who developed or otherwise required the specification.

Response to Request No. 10:

The design specifications for the Phase I subject tires are set forth in the materials attached at Tab 10.

The following design specifications for the Phase II tires are set forth at Tab 10.A:

- Phase II - Pre-Production Tire Construction Charts
  - Specifications of Light Truck Radial Tire Type 235/85R16
  - Specifications of Light Truck Radial Tire Type 245/75R16
  - Specifications of Light Truck Radial Tire Type 265/75R16

- Phase II - Production Tire Construction Charts
  - Specifications of Light Truck Radial Tire Type 235/85R16
  - Specifications of Light Truck Radial Tire Type 245/75R16
  - Specifications of Light Truck Radial Tire Type 265/75R16
  - Specifications of Light Truck Radial Tire Type 31X10.50R15
  - Specifications of Light Truck Radial Tire Type 225/75R16
  - Specifications of Light Truck Radial Tire Type 235/75R15

The following design specifications for the Phase III tires are set forth at Tab 10.B:

- Phase III - Tire Construction Charts (with the Gum Strip, and without the Cap-ply)
  - Specifications of Light Truck Radial Tire Type 225/75R16
  - Specifications of Light Truck Radial Tire Type 235/75R15
  - Specifications of Light Truck Radial Tire Type 235/85R16
  - Specifications of Light Truck Radial Tire Type 245/75R16
  - Specifications of Light Truck Radial Tire Type 265/75R16
  - Specifications of Light Truck Radial Tire Type 31X10.50R15

- Phase III - Tire Construction Charts (with the Gum Strip and Cap-ply)
  - Specifications of Light Truck Radial Tire Type 225/75R16
  - Specifications of Light Truck Radial Tire Type 235/75R15
  - Specifications of Light Truck Radial Tire Type 235/85R16
  - Specifications of Light Truck Radial Tire Type 245/75R16
  - Specifications of Light Truck Radial Tire Type 265/75R16
  - Specifications of Light Truck Radial Tire Type 31X10.50R15

The manufacturing and quality specifications for the subject tires controls intra-belt gauge by imposing a strict production tolerance for the thickness of each belt in the belt package during the calendaring process. The steel chord calendaring parameters specify that each belt have a total thickness of 1.80 mm after calendaring, with a maximum deviation from this specification of +/- 0.05mm on the total thickness. Therefore, the maximum production tolerance for the thickness of rubber between the two belts would be +/-0.1mm.

With respect to question 10(d) above, all detailed formal design and manufacturing specifications were developed by HZR. The partially handwritten documents attached at Tab 9.B and entitled "Agreement On New Product Design" are the only written specifications developed and required by FTS for the subject LTR tires that have been identified by HZR. HZR notes that FTS's July, 2007 data submission to NHTSA contains certain correspondence, specifications and agreements relating to the HZR's manufacture of bias-ply tires, not the subject light truck steel belted radial tires. HZR and FTS did not enter into any agreements with respect to the construction of LTR steel belted radial tires prior to 2001.[12]

Request No. 11: *Identify and describe all modifications or changes made by HZR in the design, material composition, manufacture, quality control, supply, or certification of the* ***Subject Tires****, from the start of production to date, which relates to, or may relate to, the risk, prevention, or incidence of the reported defect in those tires including any such modifications or changes to the belt edge strips or wedges in those tires. For each such modification or change, provide the following information:*

a) The date or approximate date on which the modification or change was incorporated into production, and when, if ever, it was terminated;
b) A detailed description of the modification or change;
c) The reason(s) for the modification or change; and
d) Any durability or performance testing that was done to demonstrate any change in performance resulting from the modification or change.

Response to Request No. 11:

The only modifications or changes made by HZR in the design, material, composition, manufacture, quality control, supply, or certification of the subject tires, which may relate to the

[12] For example, FTS has submitted a Technical Agreement between FTS and HZR signed on 1/10/2000 relating to the use of a colored (not black) gum strip in the construction of certain bias-ply tires. These bias-ply gum strips are used to examine the tightness of body-plies in bias ply tires, and to identify the turn-up location after certain bias ply tire tests. These gum strips are in no way related to the type of steel belted radial gum strips at issue in this recall.

alleged defect are the changes between Phase I, II and III described in detail above in the overview.

Request No. 12: *Describe in detail the tire design, materials, and specifications of each of the U.S. Market Comparable Tires, as initially produced by HZR.*

Response to Request No. 12:

The design, materials, and specifications for the U.S. Market Comparable Tires is essentially identical to the Phase III subject tires described above. The primary difference in design is in the different tread-patterns used in the U.S. Market Comparable Tires. Tab 12 contains the following tire construction sheets for the U.S. Market Comparable Tires:

- US Market Comparable Tires H280 Construction Charts at Tab 12.A:
  - Specifications of Light Truck Radial Tire Type 235/75R15
  - Specifications of Light Truck Radial Tire Type 235/85R16
  - Specifications of Light Truck Radial Tire Type 245/75R16
  - Specifications of Light Truck Radial Tire Type 265/75R16
  - Specifications of Light Truck Radial Tire Type 31X10.50R15

- US Market Comparable Tires H280B & C Construction Charts at Tab 12.B:
  - Specifications of Light Truck Radial Tire Type 235/75R15
  - Specifications of Light Truck Radial Tire Type 235/85R16
  - Specifications of Light Truck Radial Tire Type 245/75R16
  - Specifications of Light Truck Radial Tire Type 265/75R16
  - Specifications of Light Truck Radial Tire Type 225/75R16
  - Specifications of Light Truck Radial Tire Type 31X10.50R15

Request No. 13: *Identify and describe all modifications or changes made by HZR in the design, material composition, manufacture, quality control, supply, or certification of any* ***U.S. Market Comparable Tires****, which relate to, or may relate to, the risk, prevention, or incidence of tread or belt separations in those tires, including any modifications or changes to the belt edge strips or wedges for those tires. For each such modifications or changes to the belt edge strips or wedges for those tires. For each such modification or change, provide the following information:*

a) The date or approximate date on which the modification or change was incorporated into production;
b) A detailed description of the modification or change;
c) The reason(s) for the modification or change; and

d) Identify, summarize, and produce copies of, any durability or performance testing that was done to demonstrate any change in performance resulting from the modification or change.

Response to Request No. 13:

As explained above, the U.S. Market Comparable Tires sold in the U.S. were all built to a design essential the same as the Phase III design for the subject tires, and there have been no other modifications or changes made in the design, material composition, manufacture, quality control, supply, or certification of any U.S. Market Comparable Tires, which relate to, or may relate to, the risk, prevention, or incidence of tread or belt separations in those tires since they were introduced to the U.S. market.

Request No. 14: *Separately identify, date, and describe all quality assurance and quality control testing that HZR conducted or that was conducted for HZR and provided to HZR for the* ***Subject Tires*** *and* ***U.S. Market Comparable Tires****. If no such testing was conducted, so state.*

Response to Request No. 14:

Prior to 2007, quality assurance and quality control testing was conducted by HZR in accordance with the test protocol set forth in "The Regulations of Radial Tire Testing No. Zi-02-24" which is included in attachment Tab 7.E.3. Beginning in 2007, HZR began testing in accordance with Q/HZR03171-2007 PCR/LTR Performance Test Methods, which is also attached at Tab 7.E.4.

As explained in response to Request #10, the manufacturing and quality specifications for the subject tires controls intra-belt gauge by imposing a strict production tolerance for the thickness of each belt in the belt package during the calendaring process. The steel chord calendaring parameters specify that each load range E belt have a total thickness of 1.80 mm after calendaring, with a maximum deviation from this specification of +/- 0.05mm on the total thickness. Therefore, the maximum production tolerance for the thickness of rubber between the two belts would be +/-0.1mm.[13]

In addition, Tab 14 contains the following additional documents related to HZR's quality control and assurance practices:

- ISO 9001:2000 Quality Management System Certificate
- ISO/TS 16949:2002 Certificate For Design and Manufacture of Tyres used in Automobiles
- ECE Certificate Regarding Subject Tires Relating to ECE Approval Pursuant to Regulation No. 54

[13] The production tolerance for the 3+9 belts in non-load range E tires is also +/-0.5mm.

- Certificate for Tire Type LT 225/75R16 CR 861 (08/10/2005)
- Certificate for Tire Type LT 235/75R15 CR 861 (12/17/2003)
- Certificate for Tire Type LT 235/75R15 CR 587 (03/03/2003)
- Certificate for Tire Type LT 235/85R16 CR 857 (01/28/2002)
- Certificate for Tire Type LT 235/85R16 CR 861 (12/17/2003)
- Certificate for Tire Type LT 235/85R16 CR 860 (03/03/2003)
- Certificate for Tire Type LT 245/75R16 CR 860 (03/03/2003)
- Certificate for Tire Type LT 245/75R16 CR 861 (12/17/2003)
- Certificate for Tire Type LT 245/75R16 CR 857 (11/04/2002)
- Certificate for Tire Type LT 265/75R16 CR 857 (03/03/2003)
- Certificate for Tire Type 31X10.50R15 CR 857 (03/03/2003)
- Certificate for Tire Type 31X10.50R15 CR 861 (12/17/2003)

- ECE Certificate Regarding US Market Comparable Tires Relating to ECE Approval Pursuant to Regulation No. 54
  - Certificate for Tire Type LT 235/75R15 H280 (03/03/2003)
  - Certificate for Tire Type LT 235/85R16 H280 (08/10/2005)
  - Certificate for Tire Type LT 245/75R16 H280 (08/10/2005)
  - Certificate for Tire Type LT 265/75R16 H280 (08/10/2005)
  - Certificate for Tire Type 31X10.50R15 H280 (02/24/2003)
  - Certificate for China Compulsory Product Certification (07/18/2003)
  - Hangzhou Zhongce's Quality Manual Based on ISO 9001:2000 and ISO/TS 16949:2002 (04/01/2005)
  - Hangzhou Zhongce's Document Control Procedure

Request No. 15: *Identify HZR's resident agent, if any for service of process within the U.S.*

Response to Request No. 15:

HZR does not have a resident agent for service of process within the United States. FTS was previously designated as HZR's agent for NHTSA purposes only pursuant to 49 C.F.R. Part 551.

Request No. 16: *Identify any tires your company imported to the U.S. or sold to anyone for importation into or sale within the U.S., **except for FTS**, tires:*

a) Marked or labeled "FTS" on the sidewall of the tire; or
*b) Having the same design and manufacturing specifications as the **Subject Tires**, but not labeled "FTS."*

For any such tires, identify by name, address, and phone number the entity or person to whom HZR sold or otherwise distributed those tires.

Response to Request No. 16:

a) HZR is aware of FTS's allegation that Phase II tires may have been sold or shipped to other distributors for sale in the United States. HZR sold Phase II subject tires only to FTS and to no other distributors for sale in the United States. HZR has searched through its shipment records and has found nothing suggesting that any tires with an FTS mark were shipped to any distributors in the United States other than FTS. Were any tires with an FTS mark shipped to any other distributor, it would have been an inadvertent and isolated instance and is not supported by any documentation within HZR.

b) The "Comparable Tires" identified above have the same design and manufacturing specifications as the Subject Tires but are not labeled "FTS." Also as discussed above, HZR did not begin selling the "Comparable Tires" to distributors other than FTS for sale in the United States until 2006.

Additionally, beginning in 2006, HZR began selling "Subject Tires" to other distributors for sale in the United States. However, none of the tires sold to distributors other than FTS for sale in the United States were Phase II subject tires. As evident from the charts attached under Tab 16, HZR sold Phase III subject tires to Omni United USA Inc., Tireco Inc., Caribbean Rubber Corporation, Strategic Import Supply, and Shanghai YongDing (Goodyear). All of the subject tires sold to these companies were Phase III tires. The earliest production date for subject tires sold to Omni United USA Inc. was the fourth week of 2006 (0406). The earliest production date for subject tires sold to Tireco Inc. is the twenty-first week of 2006 (2106). Similarly, subject tires, with manufacture dates after the twenty-first week of 2006 (2106) were sold to Caribbean Rubber Corporation for sale in the United States. Phase III subject tires, with manufacture dates beginning in the fourth week of 2006 (0406) were also sold to Strategic Import Supply for sale in the United States. Finally, HZR sold subject tires, with manufacture dates after September 2006, to Shanghai YongDing (Goodyear) for sale in the United States.

Tireco, Inc.
300 West Artesia Boulevard
Campton, California 90220-5530
310-604-8760
Contact Person: Robert W. Liu (robert1@tireco.com)

Strategic Import Supply Co.
3310 Hazelwood West
Wayzata, Minnesota 55391
952-945-9944
Contact Person: David Penn (DavidLPenn@comcast.net)

Omni United USA, Inc.
102 Scot Court
Fairfield, California 94534
741-343-6383
Contacts: Steve Tamietti
G.S. Sareen (659-816-0125)

Goodyear Tire Management Company (Shanghai) Ltd.
A-808, Kingsound International Center
116 Zizhuyuan Road, Haidian
Beijing China
(86-21) 613 26112
Contact: Manj Mehta (86- 13611925424)

Caribbean Rubber Corp.
Carr. 174, L,m.1.7, Minillas, Bayamon, Puerto Rico
P.O. Box 2517
Bayamon, Puerto Rico 00960
787-785-4079
Contact Person: Carlos Gutierrez (cgutierrez@email.msn.com)

Please feel free to contact me if you have any questions concerning this submission.

Sincerely,

Jacqueline S. Glassman
Michael L. Kidney
R. Latane Montague

Attachment: Compact Disk Containing Confidential Attachments