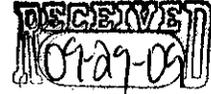


VOLKSWAGEN

GROUP OF AMERICA



Kathleen Demeter
Director, Office of Defects Investigation
U.S. Department of Transportation
National Highway Traffic Safety Administration
1200 New Jersey Avenue S.E.
Washington, DC 20590

CHRISTOPHER T. SANDVIG NAME
GM - COMPLIANCE / TREAD TITLE
PRODUCT COMPLIANCE DEPARTMENT
248-754-5000 PHONE
248-754-5093 FAX
SEPTEMBER 25, 2009 DATE

Subject: PE09-035 NVS-213cni; Direct Shift Gearbox (DSG)

Dear Ms. Demeter:

VOLKSWAGEN GROUP OF AMERICA, INC
3800 HAMLIN ROAD
AUBURN HILLS, MI 48326
PHONE +1 248 754 5000

Please find attached Volkswagen's response to PE09-035 regarding the Direct Shift Gearbox on certain model year 2007- 2009 Volkswagen and Audi vehicles. Pursuant to the phone conversation and email notification to Volkswagen Group of America from Mr. Jeff Quandt and Mr. Chris Lash, dated September 10, 2009, Volkswagen is providing responses to requests 1-6.

For your convenience, each request is restated verbatim and then followed by our response.

Please contact me if you have any questions regarding this response.

Regards,

A handwritten signature in black ink, appearing to read "CTSandvig".

Christopher T. Sandvig
GM - Compliance/TREAD
Service and Quality

Attachments

Volkswagen's partial response to this inquiry includes all model year 2007-2009 Volkswagen Jetta, GTI, R32, Eos and Audi A3, TT vehicles manufactured for sale or lease in the United States. Volkswagen has assessed and categorized these records based on allegations in the record statement, according to the revised definition NHTSA has defined in its email message to Volkswagen Group of America dated September 10, 2009.

Category 1 - Claims related to the repair or replacement of the temperature sensor.

Category 2 - Claims related to other DSG problems associated with Mechatronic units as described in Volkswagen's voluntary Customer Service Program.

Category 3 - Claims for complete replacement of a DSG transmission but not included in Category (1) or (2).

Request 1:

State, by model and model year, the number of subject and peer vehicles Volkswagen has manufactured for sale or lease in the United States. Separately, for each subject and peer vehicle manufactured to date by Volkswagen Group, state the following:

- a. Vehicle identification number (VIN);
- b. Model;
- c. Model Year;
- d. Date of manufacture;
- e. Date warranty coverage commenced;
- f. The State in the United States where the vehicle was originally sold or leased (or delivered for sale or lease).

Provide the table in Microsoft Access 2003, or a compatible format, entitled "PRODUCTION DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

Response 1:

In response to this inquiry, Volkswagen has identified the following subject vehicle population:

Model	MY 2007	MY 2008	MY 2009
Volkswagen models			
Eos	11,714	12,508	8,626
GTI	8,648	7,352	4,359
Jetta Sedan	3,292	10,574	26,276
Jetta SportWagen	0	0	7,948
R32	0	5,001	0
Audi models			
A3	5,575	4,422	3,339
TT (Coupe , Roadster)	0	6,732	2,829

Our response to this request including subparagraphs a. through f. is provided in a Microsoft Access file entitled, "PRODUCTION DATA.mdb" attached hereto as Exhibit to Request 1.

Source: Business Objects

Date Gathered: Through the date of the inquiry

Exhibit to Request 1

PRODUCTION DATA

Data is provided in Microsoft Access format on PE09-035 Data Collection Disc

Request 2:

State the number of each of the following, received by Volkswagen, or of which Volkswagen is otherwise aware, which relate to, or may relate to, the alleged defect in the subject vehicles:

- a. Consumer complaints, including those from fleet operators;
- b. Field reports, including dealer field reports;
- c. Reports involving a crash, injury, or fatality, based on claims against the manufacturer involving a death or injury, notices received by the manufacturer alleging or proving that a death or injury was caused by a possible defect in a subject vehicle, property damage claims, consumer complaints, or field reports;
- d. Property damage claims;
- e. Third-party arbitration proceedings where Volkswagen is or was a party to the arbitration; and
- f. Lawsuits, both pending and closed, in which Volkswagen is or was a defendant or codefendant.

For subparts "a" through "d" state the total number of each item (e.g., consumer complaints, field reports, etc.) separately. Multiple incidents involving the same vehicle are to be counted separately. Multiple reports of the same incident are also to be counted separately (i.e., a consumer complaint and a field report involving the same incident in which a crash occurred are to be counted as a crash report, a field report and a consumer complaint).

In addition, for items "c" through "f," provide a summary description of the alleged problem and causal and contributing factors and Volkswagen'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 2:

- a. In response to this inquiry, Volkswagen has identified 30 Category 1, 839 Category 2, and 8 Category 3 consumer complaints on 821 unique vehicles, none of which are from fleet operators. Volkswagen has assessed and categorized these records based on allegations in the record statement, according to NHTSA defined categorizations 1, 2, and 3. Volkswagen notes 19 consumer complaints are duplicative of the provided VOQs.
- b. In response to your inquiry, Volkswagen has identified 123 Category 1, 3,006 Category 2, and 16 Category 3 Field Reports on 2,922 unique vehicles. Volkswagen has assessed and categorized these records based on allegations in the record statement, according to NHTSA defined categorizations 1, 2, and 3. Volkswagen notes 47 Field Reports are duplicative of the provided VOQs and 590 Field Reports are duplicative of the consumer complaints.
- c. In response to your inquiry, Volkswagen has identified 5 reports on 3 unique vehicles alleging a crash. Volkswagen notes that the allegations in all 5 reports appear to be minor in nature and did not include reports of the customer seeking medical attention. Volkswagen did not identify any reports alleging an injury or fatality, based on claims against the manufacturer involving a death or injury, notices received by the manufacturer alleging or proving that a death or injury was related to or resulted from the Direct Shift Gearbox transmission. Volkswagen is also providing copies of non-specific reports, which have previously been submitted to the agency.
- d. In response to your inquiry, Volkswagen has not identified any property damage claims.
- e. In response to your inquiry, Volkswagen has not identified any third-party arbitration proceedings, where Volkswagen is, or was a party to the arbitration.
- f. In response to your inquiry, Volkswagen has identified 8 breach of warranty lawsuits in which Volkswagen is or was a defendant or codefendant. Volkswagen has assessed and categorized these records based on allegations in the record statement, according to NHTSA defined categorizations 1, 2, and 3.

A summary of these reports is described in Response 2. Causal and contributing factors, including VW's assessment of the technical issues / background were discussed during the technical presentation and test drive, on September 03, 2009 in Herndon, Virginia.

Source: LISTEN, PLE, FRED, ATA/MTA, WTC

Date Gathered: Through the date of the inquiry

Request 3:

Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 2, state the following information:

- a. Volkswagen's file number or other identifier used;
- b. The category of the item, as identified in Request No. 2 (i.e., consumer complaint, field report, etc.);
- c. Vehicle owner or fleet name (and fleet contact person), address, and telephone number;
- d. Vehicle's VIN;
- e. Vehicle's make, model and model year;
- f. Vehicle's mileage at time of incident;
- g. Incident date (in "yyyy/mm/dd" date format);
- h. Report or claim date (in "yyyy/mm/dd" date format);
- i. Whether a crash is alleged;
- j. Whether property damage is alleged;
- k. Number of alleged injuries, if any; and
- l. Number of alleged fatalities, if any.

Provide this information in Microsoft Access 2003, or a compatible format, entitled "REQUEST NUMBER TWO DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

Response 3:

Responses to subparagraphs a. through l. are provided in REQUEST NUMBER TWO DATA folder attached hereto as Exhibit to Request 3.

Source, Date Gathered: See Response Two

Exhibit to Request 3

REQUEST NUMBER TWO DATA

&

NON-SPECIFIC NUMBER TWO DATA

**Data is provided in Microsoft Excel format in the REQUEST NUMBER TWO DATA folder on
PE09-035 Data Collection Disc**

Request 4:

Produce copies of all documents related to each item within the scope of Request No. 2. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) Indicate which department in Volkswagen identified and provided the document, and describe the method Volkswagen used for organizing the documents.

Response 4:

In response to this inquiry, Volkswagen is providing copies of documents identified for each item in Response 2. The documents are provided in an Adobe Acrobat file entitled "REQUEST NUMBER FOUR DATA.pdf" attached hereto as Exhibit to Request 4. These cases are organized by source and in ascending case number order.

Volkswagen is also providing copies of non-specific reports, which have previously been provided to the agency. Information on these reports is provided in an Adobe Acrobat file entitled "NON-SPECIFIC NUMBER FOUR DATA.pdf" attached hereto as Exhibit to Request 4. These cases are organized by the vehicle identification number.

Source, Date Gathered: See Response Two

Exhibit to Request 4

**REQUEST NUMBER FOUR DATA
&
NON-SPECIFIC NUMBER FOUR DATA**

**Data is provided in Adobe Acrobat format in the REQUEST NUMBER FOUR DATA folder on
PE009-035 Data Collection Disc**

Request 5:

State, by model and model year, total counts for all of the following categories of claims, collectively, that have been paid by Volkswagen to date that relate to the subject components or to complete replacement of the DSG transmission in the subject and peer vehicles: warranty claims; extended warranty claims; claims for good will services that were provided; field, zone, or similar adjustments and reimbursements; and warranty claims or repairs made in accordance with a procedure specified in a technical service bulletin or customer satisfaction campaign.

Separately, for each such claim, state the following information:

- a. Volkswagen's claim number;
- b. Vehicle owner or fleet name (and fleet contact person) and telephone number;
- c. VIN;
- d. Model;
- e. Repair date;
- f. Vehicle mileage at time of repair;
- g. Repairing dealer's or facility's name, telephone number, city and state or ZIP code;
- h. Labor operation number;
- i. Problem code;
- j. Replacement part number(s) and description(s);
- k. All diagnostic trouble code(s) (DTC), or equivalent;
- l. Whether the repair condition caused an incident of complete loss of motive power or "vehicle stalling" while driving (use "yes," "no," or "unknown" for this field);
- m. Whether there was a claim for towing within 3-days of the subject component repair claim;
- n. Whether there was a claim for replacement of one or more subject components within 30 days of the claim date (provide a separate field for each subject component to show these data);
- o. Concern stated by customer;
- p. Cause and correction of concern; and
- q. Additional comment, if any, by dealer/technician relating to claim and/or repair.

Provide this information in Microsoft Access 2003, or a compatible format, entitled "WARRANTY DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

Response 5:

In response to this inquiry, Volkswagen has identified 370 Category 1, 2,559 Category 2, and 57 Category 3 warranty claims on 2,897 unique vehicles that have been paid by Volkswagen to date. Volkswagen has assessed and categorized these records based on allegations in the record statement, according to NHTSA defined categorizations 1, 2, and 3. Volkswagen notes 39 warranty claims are duplicative of the provided VOQs, 420 warranty claims are duplicative of the consumer complaints, 2,062 warranty claims are duplicative of the field reports and 8 warranty claims are duplicative of the breach of warranty lawsuits.

Our response to this request is provided in Microsoft Excel format in the REQUEST NUMBER FIVE DATA folder attached hereto as Exhibit to Request 5.

Source: Business Objects Warranty Universe

Date Gathered: Through the date of the inquiry

Exhibit to Request 5

WARRANTY DATA

Data is provided in Microsoft Excel format on PE09-035 Data Collection Disc

Request 6:

Describe in detail the search criteria used by Volkswagen to identify the claims identified in response to Request No. 5, including the labor operations, problem codes, part numbers and any other pertinent parameters used. Provide a list of all labor operations, labor operation descriptions, problem codes, and problem code descriptions applicable to the alleged defect in the subject vehicles. State, by make and model year, the terms of the new vehicle warranty coverage offered by Volkswagen on the subject vehicles (i.e., the number of months and mileage for which coverage is provided and the vehicle systems that are covered). Describe any extended warranty coverage option(s) that Volkswagen offered for the subject vehicles and state by option, model, and model year, the number of vehicles that are covered under each such extended warranty.

Response 6:

In response to this inquiry, the following methods were used to identify claims in response to request number five.

1. All model year 2007-2009 Volkswagen Jetta, GTI, R32, Eos and Audi A3, TT vehicles manufactured for sale or lease in the United States.

AND

2. All warranty claims containing the following part identifiers:

<u>Number</u>	<u>Description</u>
3885	Mechatronic
3511	Mechatronics
3460	Mechatronics Cover
3490	Temperature Sensor / Speed Sensor
3726	Transmission Speed Sensor
3735	Automatic Transmission
3435	Transmission

In response to this inquiry, Volkswagen has assessed and categorized these records based on allegations in the record statement, according to NHTSA defined categorizations 1, 2, and 3.

Volkswagen has identified, through screening the resultant claims, a list of all problem codes and problem code descriptions that were used in the warranty claims. The following overviews these findings:

Damage Codes with Description:

10	Mechanical defect
15	Broken, cracked, torn
16	Ineffective
18	Loose
88	Vehicle Towed in to Dealership
20	Noisy
39	Software Fault
55	Special Repair on Factory demand
50	Leaking
26	Wiring node
40	Electrical defects

Volkswagen notes that service personnel may not consistently use the appropriate Damage Code when entering a warranty claim.

The following is a list, by make and model year, of the terms of the New Vehicle Limited Warranty coverage offered by Volkswagen on the subject vehicles:

2007	4 Years / 50,000 miles: Eos, GTI, Jetta Sedan, Jetta SportWagen, R32, A3, TT	Bumper to Bumper
2008	4 Years / 50,000 miles: Eos, GTI, Jetta Sedan, Jetta SportWagen, R32, A3, TT	Bumper to Bumper
2009	4 Years / 50,000 miles: A3, TT	Bumper to Bumper
2009	3 Years / 36,000 miles: Eos, GTI, Jetta Sedan, Jetta SportWagen, R32	Bumper to Bumper

The following is a list, by make and model year, of the terms of the Powertrain Warranty coverage offered by Volkswagen on the subject vehicles:

2007	5 Years / 60,000 miles: Eos, GTI, Jetta Sedan, Jetta SportWagen, R32	Powertrain
2008	5 Years / 60,000 miles: Eos, GTI, Jetta Sedan, Jetta SportWagen, R32	Powertrain
2009	5 Years / 60,000 miles: Eos, GTI, Jetta Sedan, Jetta SportWagen, R32	Powertrain

Source: VWGoA

Date Gathered: Through the date of the inquiry