



GEORGE PERSON, Chief, Recall Management Division
Office of Defect Investigations
National Highway Traffic Safety Administration
Department of Transportation
1200 New Jersey Ave SE
Washington DC 20590

Subject: Part 573 Notice of Lotus Cars Limited Determination of Defect

This information is submitted in accordance with the requirements of Part 573 of Title 49 of the Code of Federal Regulations (49 CFR 573). Lotus Cars Limited (**Lotus**) has determined that certain Model Year 2005 and 2006 ELISE and EXIGE vehicles may have a defect affecting motor vehicle safety.

573.6 (c)(1) **Manufacturer's Name**
Full corporate name Lotus Cars Limited.

The recalled vehicle
is imported;

Designated agent: On information and belief, Arnold Johnson, Lotus
Cars USA Inc.

Corporate official
to be contacted Name: Matt Lever

Email mlever@lotuscars.com
Phone +44 1953 608804

573.6 (c)(2) **Identification of Vehicles**

Make: Lotus

Line: ELISE AND EXIGE

Model Year: MY 2005 and MY 2006

Month/Year
of manufacture 1 June 2004 to 30 November 2006

LOTUS CARS LIMITED

Potash Lane Hethel Norwich Norfolk NR14 8EZ England T +44 (0) 1953 608 000 F +44 (0) 1953 608 300 www.group Lotus.com

Registered Office: Potash Lane Hethel Norwich Norfolk NR14 8EZ in England No. 895081 VAT Reg No. GB 105 9863 55

VIN Numbers of See attached

573.6 (c)(3) **Number of vehicles Potentially Containing the Defect**
Approximately 5,037 vehicles in the United States are affected by this recall (i.e. are potentially containing and estimated to contain the defect – this is 100% of USA production during the period designated above).

573.6 (c)(4) **Percentage of Vehicles Actually Containing Defect**
The percentage of total Elise-Exige vehicles in the United States that are potentially subject to this defect: 74.92%.

573.6 (c)(5) **Description of Defect**

The oil cooler line may become detached from its fitting.

573.6 (c)(6) **Basis for Determination**

Lotus has identified that there has been a small number of instances of oil cooler lines detaching from their fittings occurring as regards a group of vehicles built over a limited period of time. In all such cases, there was a single supplier of affected parts. That supplier supplied parts between May 2004 and May 2010. Lotus has identified that the vast majority of failures relate to vehicles which were manufactured before October 2006. Lotus' opinion is that the cause of failure is the process by which the hose was crimped into its fitting by the supplier. In October 2006 the supplier implemented an improved crimping process. Lotus believes from the data as regards vehicles built after October 2006 that the improved crimping process appears effective. Moreover, Lotus has been using a different supplier since May 2010 for reasons unrelated to the detachment issue and Lotus' research thus far has not indicated that the components from the new supplier demonstrate the concerns at issue.

Lotus does not consider that there is a significant risk that vehicles built within the Affected Period will suffer a serious incident. This view is supported by the fact that Lotus does not know of any cases of personal injury or death arising from the detachment of an oil cooler line from its fitting.

Nevertheless, to minimise the risk of a serious incident Lotus is taking the recall action described in this letter.

573.6 (c)(7) **Noncompliance Test Result**
Not applicable

573.6 (c)(8) **Proposed Remedial Program**

To be confirmed as soon as possible.

Lotus will also reimburse any USA owner or purchaser of a vehicle on the VIN list who previously incurred costs to obtain a remedy for the problem addressed by this recall within a reasonable time in advance of the Lotus notification of owners, purchasers and dealers. Lotus will reimburse for all such customer pay work (other than caused by accident or abuse) done on affected vehicles prior to the recall.

Lotus plans to notify all owners of affected vehicles and will instruct these owners to arrange an appointment with an authorized USA dealer. The dealers will repair if necessary at no cost to customers. Lotus will notify dealers to remove any affected components from their spare parts stock.

Pending parts availability, mailing dates are anticipated as follows:

Dealer: on or about : This information will be submitted as soon as possible.

Owner: on or about : This information will be submitted as soon as possible.

573.6 (c)(10) **Submission of dealer bulletin**

Draft will be submitted as soon as possible.

573.6 (c)(11) **Proposed Owner Letter**

Draft will be submitted as soon as possible.

573.6 (c)(12) **Manufacturer's Recall Code**

Lotus will use the recall code assigned by NHTSA following code:

In case of questions please contact the person indicated below.

Sincerely,



Matthew Lever

Attachment USA VIN List