

TOYOTA
TOYOTA MOTOR NORTH AMERICA, INC.

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September 14, 2004

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OFFICE OF
DEFECTS INVESTIGATION

Mr. Kenneth N. Weinstein
Associate Administrator for Safety Assurance – NSA-01
National Highway Traffic Safety Administration
400 Seventh Street, S.W.
Washington, D.C. 20590

Re: Toyota Echo and Celica Brake Master Cylinder
Part 573, Defect Information Report

04V-455
(4 pages)

Dear Mr. Weinstein:

In accordance with the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 and 49 CFR Part 573, on behalf of Toyota Motor Corporation ["TMC"], we hereby submit the attached Defect Information Report concerning a voluntary safety recall of certain 2000 model year Toyota Echo and Celica vehicles to address an issue with the brake master cylinder.

Should you have any questions about this report, please contact Mr. Sid Yokoi or Mr. Chris Santucci at (202) 463-6856.

Sincerely,

TOYOTA MOTOR NORTH AMERICA, INC.


Chris Tinto
Director

CT:cs
Attachment

DEFECT INFORMATION REPORT

1. Vehicle Manufacturer Name:

Toyota Motor Corporation ["TMC"]
1, Toyota-cho, Toyota-city, Aichi-ken, 471-8571 Japan

Affiliated U.S. Sales Company

Toyota Motor Sales, USA, Inc. ["TMS"]
19001 South Western Avenue, Torrance, CA 90509

2. Identification of Affected Vehicles:

Based on production records, we have determined the affected vehicle population as set forth in the table below.

Make/ Car Line	Model Year	Manufac- turer	VIN		Production Period
			VDS	VIS	
Toyota Celica	2000	TMC	DR32T	Y0001037-Y0065493	July 23, 1999 through June 30, 2000
			DR38T	Y0001097-Y0064653	
			DY32T	Y0001075-Y0034768	
			DY38T	Y0001047-Y0034764	
Toyota Echo	2000	TMC	AT123	Y0001046-Y0092445 Y5000009-Y5000827	August 17, 1999 through June 30, 2000
			AT183	Y0055398-Y0059085	
			BT123	Y0001045-Y0092464 Y5000006-Y5000842	
			BT183	Y0056321-Y0059055	

Note : Although the involved vehicles are within the above VIN ranges, not all vehicles in these ranges were sold in the U.S.

Component containing defect: Brake Master Cylinder
Manufacturer Name: Bosch Automotive Systems Corporation
Address: 3-6-7, Shibuya, Shibuya-ku, Tokyo 150-8360 JAPAN
Telephone: +81-3-3400-1551

3. Total Number of Vehicles Potentially Affected:

109,056

4. Percentage of Vehicles Estimated to Actually Experience Malfunction:

Unknown

5. Description of Problem:

In the brake master cylinder of the subject vehicles, there is a possibility that the recess that retains the rubber seal ring, which is located at the end of the cylinder body, may be corroded due to an improper washing process. In this condition, brake fluid may leak from the seal, or a small amount of air may enter the master cylinder, which could lead to an increase of vehicle stopping distance.

6. Chronology of Principal Events:

December 2003 –May 2004

Toyota received some information from the Japanese market concerning the illumination of the brake warning lamp and a leakage of brake fluid from the brake master cylinder, and recovered the brake master cylinder. Toyota immediately conducted a test to replicate the condition using the recovered part and began an investigation into the cause of the leakage. As a result of the investigation, brake fluid leakage from the end of master cylinder was replicated, and it was discovered that the recess that retains the rubber seal ring, which is located at the end of the cylinder body, was corroded.

Toyota then started an investigation on used vehicles to determine if there were other cases of brake master cylinder leakage. In parallel, Toyota investigated manufacturing process history for the master cylinder.

As a result of manufacturing process investigation, it was found that, at the end of June 2000, the washing procedure had been changed to prevent washing fluid from remaining in the recess of the cylinder body.

June – Early September 2004

Toyota continued its investigation and it was found that the remaining washing fluid could cause the cylinder body to be corroded. This corrosion could cause brake fluid to leak from the cylinder body.

As a result of 62 used vehicles that were investigated, Toyota determined that there were three vehicles which had brake fluid leakage caused from corrosion of the recess of the cylinder body. The other 59 vehicles did not have any signs of brake fluid leakage.

Toyota conducted a braking performance test with the recovered part to investigate the effect of the corroded master cylinder. As a result of this test, in addition to the brake fluid leakage, it was discovered that the entry of a small amount of the air into the master cylinder occurred, and Toyota confirmed that the vehicle stopping distance could increase under this condition.

As a result of above investigation, Toyota decided to conduct a voluntary safety recall of all vehicles in the affected range.

This remedy action will also be conducted in Japan, Canada, U.K., Germany, Australia, and other countries.

7. Description of Corrective Repair Action:

All known owners of the subject vehicles will be notified by first class mail to return their vehicles to a Toyota dealer for inspection, and if a brake fluid leak from the master cylinder is detected or there is the air in the master cylinder, the dealer will replace the master cylinder and the brake booster.

Reimbursement Plan for pre-notification remedies

The owner letter will instruct vehicle owners that have had their master cylinder and/or brake booster replaced for a similar leakage or seepage condition prior to this campaign to seek reimbursement by mailing a copy of their repair order, proof-of-payment, and proof-of-ownership for reimbursement consideration. Please note that the reimbursement plan does not cover brake pads. It will take approximately 4 to 6 weeks to process the request. Other costs may also be reimbursed upon a case-by-case basis.

- (i) The beginning date of the Toyota reimbursement plan will be:
The reimbursement plan will cover repairs made no earlier than July 23, 1999, when the first subject vehicles were manufactured.
- (ii) The ending date of Toyota reimbursement plan will be:
The ending date shall be at least 10 calendar days after the date on which the last owner notification was mailed, however Toyota will further review requests for reimbursement from involved vehicle owners on a case-by-case basis.
- (iii) Toyota may exclude reimbursement, if:
 - a. the pre-notification repair was not of the same type (repair, replacement, or refund of purchase price) as the recall remedy;
 - b. the pre-notification repair was not reasonably necessary to correct the defect or noncompliance that led to the recall or a manifestation of the defect or noncompliance.
 - c. the pre-notification remedy was not reasonably necessary to correct the defect or noncompliance; or,
 - d. the repair was conducted as a result of vehicle accident or another reason not specifically related to the defect or noncompliance.
- (iv) Toyota will reimburse eligible customers for at least the cost of the brake master cylinder and brake booster, and the replacement labor. Other costs may be reimbursed on a case-by-case basis.
- (v) Owners requesting reimbursement must submit the appropriate documentation: repair order, proof-of-payment, and proof-of-ownership to TMS for reimbursement consideration.

8. Recall Schedule:

Mailing of the owner notifications will commence in mid October and be completed before mid November.

Copies of the owner notification and dealer instructions will be submitted as soon as they are available.