



U.S. Department
of Transportation

**National Highway
Traffic Safety
Administration**

400 Seventh Street, S.W.
Washington, D.C. 20590

SEP 15 2005

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Samuel Boyden, Research Administrator
Strategic Resources Dept. D-3
State Farm Insurance Company
One State Farm Plaza
Bloomington, IL. 61710

NVS-214bby
EA05-005

Dear Mr. Boyden:

As you are aware, the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) is conducting an investigation into under hood fires resulting from a short circuit in the Speed Control Deactivation Switch (SCDS) in certain vehicles manufactured by Ford Motor Company. This letter is to request information to assist us in our investigation

Unless otherwise stated in the text, the following definitions apply to these information requests:

- **Subject vehicles:** All 1998 through 2002 MY Ford Explorer, 1998 through 2002 MY Ford Ranger, 2000 through 2002 MY Excursion, and 1995 through 2002 MY Ford Econoline Vehicles.
- **Subject components:** All Speed Control Deactivation Switches produced for use in the subject vehicles as original equipment or as replacement parts.
- **Peer vehicles:** All MY 1995 through 2002 Ford F150, 1997 through 2002 Ford Expedition, and Lincoln Navigator, and 1995 through 2002 Dodge Ram 1500 vehicles.
- **Subject recall:** NHTSA Recall No. 05V-017, 05V-388
- **State Farm:** State Farm Insurance Company, all of its past and present officers and employees, whether assigned to its principal offices or any of its field or other locations, including all of its divisions, subsidiaries (whether or not incorporated) and affiliated enterprises and all of their headquarters, regional, zone and other offices and their employees, and all agents, contractors, consultants, attorneys and law firms and other persons engaged directly or indirectly (e.g., employee of a consultant) by or under the control of State Farm (including all business units and persons previously referred to),



DOT AUTO SAFETY HOTLINE
888-DASH-2-DOT
888-327-4238

who are or, in or after 1992, were involved in any way with any of the following related to the alleged defect in the subject vehicles:

- a. Testing, assessment or evaluation;
 - b. Consideration, or recognition of potential or actual fires related to the alleged defect, reporting, record-keeping and information management, (e.g., claims), analysis, claims, or lawsuits; or
 - c. Communication to, from or intended for field adjusters, zone representatives, or other field locations.
- **Alleged defect:** Any malfunction of the speed control deactivation switch resulting in leakage, melting of switch materials, smoke, fire, or ignition of engine compartment materials or components.
 - **Document:** "Document(s)" is used in the broadest sense of the word and shall mean all original written, printed, typed, recorded, or graphic matter whatsoever, however produced or reproduced, of every kind, nature, and description, and all non-identical copies of both sides thereof, including, but not limited to, papers, letters, memoranda, correspondence, communications, electronic mail (e-mail) messages (existing in hard copy and/or in electronic storage), faxes, mailgrams, telegrams, cables, telex messages, notes, annotations, working papers, drafts, minutes, records, audio and video recordings, data, databases, other information bases, summaries, charts, tables, graphics, other visual displays, photographs, statements, interviews, opinions, reports, newspaper articles, studies, analyses, evaluations, interpretations, contracts, agreements, jottings, agendas, bulletins, notices, announcements, instructions, blueprints, drawings, as-builts, changes, manuals, publications, work schedules, journals, statistical data, desk, portable and computer calendars, appointment books, diaries, travel reports, lists, tabulations, computer printouts, data processing program libraries, data processing inputs and outputs, microfilms, microfiches, statements for services, resolutions, financial statements, governmental records, business records, personnel records, work orders, pleadings, discovery in any form, affidavits, motions, responses to discovery, all transcripts, administrative filings and all mechanical, magnetic, photographic and electronic records or recordings of any kind, including any storage media associated with computers, including, but not limited to, information on hard drives, floppy disks, backup tapes, and zip drives, electronic communications, including but not limited to, the Internet and shall include any drafts or revisions pertaining to any of the foregoing, all other things similar to any of the foregoing, however denominated by State Farm, any other data compilations from which information can be obtained, translated if necessary, into a usable form and any other documents. For purposes of this request, any document, which contains any note, comment, addition, deletion, insertion, annotation, or otherwise comprises a non-identical copy of another document shall be treated as a separate document subject to production. In all cases where original and any non-identical copies are not available, "document(s)" also means any identical copies of the original and all non-identical copies thereof. Any document, record, graph, chart, film or photograph originally produced in color must be provided in color. Furnish all documents whether verified by the

manufacturer or not. If a document is not in the English language, provide both the original document and an English translation of the document.

- **Other terms:** To the extent that they are used in these information requests, the terms "claim," "consumer complaint," "dealer field report," "field report," "fire," "flect," "good will," "make," "model," "model year," "notice," "property damage," "property damage claim," "rollover," "type," "warranty," "warranty adjustment," and "warranty claim," whether used in singular or in plural form, have the same meaning as found in 49 CFR 579.4.

In order for my staff to evaluate the alleged defect, certain information is required. Pursuant to 49 U.S.C. § 30166, please provide numbered responses to the following information requests. Insofar as State Farm has previously provided a document to ODI, State Farm may produce it again or identify the document, the document submission to ODI in which it was included and the precise location in that submission where the document is located. When documents are produced, the documents shall be produced in an identified, organized manner that corresponds with the organization of this information request letter (including all individual requests and subparts). When documents are produced and the documents would not, standing alone, be self-explanatory, the production of documents shall be supplemented and accompanied by explanation.

Please repeat the applicable request verbatim above each response. After State Farm's response to each request, identify the source of the information and indicate the last date the information was gathered. If requested information is unavailable, so state and provide a brief explanation. Along with your written response, please provide this information in Microsoft Word 2000, or a compatible format, entitled "IR Response."

1. State, by model and model year, the number of subject and peer vehicles State Farm has insured against fire loss in the United States for calendar years 1998 through 2005. Separately, for each subject vehicle insured to date state the following:
 - a. Make;
 - b. Model;
 - c. Model Year;
 - d. The state in the United States where the vehicle was insured.

Provide the table in Microsoft Access 2000, or a compatible format, entitled "INSURED DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table designed for this submission.

2. State by, calendar year and model year, the number of Insurance claims for calendar years 1998 through 2005, received by State Farm, or of which State Farm is otherwise aware, which relate to non-crash engine compartment fires where the ignition was in the off position in the subject and peer vehicles:

Along with the above information state the total number of each item (e.g., insurance claims) separately for each model and model year. 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., an insurance claim and a field report involving the same incident in which a fire occurred are to be counted as a fire claim and a field report).

3. Separately for each item (insurance claim) within the scope of your response to Request No. 2, but limited to subject vehicles, state the following information:
 - a. State Farm's file number or other identifier used;
 - b. Vehicle owner or fleet name, address, and telephone number;
 - c. Vehicle's VIN;
 - d. Vehicle's make, model and model year;
 - e. Vehicle's mileage at time of incident;
 - f. Incident date;
 - g. Incident state;
 - h. Report or claim date;
 - i. Whether a fire is alleged;
 - j. Whether property damage is alleged;
 - k. Number of alleged injuries, if any;
 - l. Number of alleged fatalities, if any;
 - m. The alleged quadrant of the engine compartment where the fire started. (front left, front right, rear left, rear right, unknown)
 - n. Whether or not State Farm served the vehicle manufacturer with a subrogation claim regarding the incident and if the subrogation claim was successful;
 - o. Whether a fire investigation was performed by any party, that State Farm is aware of, to determine the origin and cause (if so, please provide a copy of the report);
 - p. Alleged cause of the fire;
 - q. Complaint summary;
 - r. Copies of all photographs (digital or hard copy) of the vehicle in possession of State Farm;
 - s. Consumer comments; and,
 - t. State Farm's assessment of the allegation;

Provide this information in Microsoft Access 2000, or a compatible format, entitled "REQUEST NUMBER TWO DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table designed for this submission.

4. Produce electronic copies of all documents related to each item within the scope of Request No. 3. Include color copies of any photographs and any fire investigation reports that State Farm has in its possession related to each of the response items. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) and describe the method State Farm used for organizing the documents.
5. Describe in detail the search criteria used by State Farm to identify the claims identified in response to Request No. 2, including problem codes, part numbers and any other pertinent

parameters used. Provide a list of all parameters applicable to the search criteria.

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 alleged defect on any of the subject components installed in the subject or peer vehicles or vehicles included in the subject recall that have been conducted, are being conducted, are planned, or are being planned by, or for, State Farm. For each such action, provide the following information:
 - a. Action title or identifier;
 - b. The actual or planned start date;
 - c. The actual or expected end date;
 - d. Brief summary of the subject and objective of the action;
 - e. Engineering group(s)/supplier(s) responsible for designing and for conducting the action; and,
 - f. A brief summary of the findings and/or conclusions resulting from the action.

For each action identified, provide electronic 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.

This letter is being sent to State Farm pursuant to 49 U.S.C. § 30166, which authorizes NHTSA to conduct any investigation that may be necessary to enforce Chapter 301 of Title 49 and to request reports and the production of things. It constitutes a new request for information. State Farm's failure to respond promptly and fully to this letter could subject State Farm to civil penalties pursuant to 49 U.S.C. § 30165 or lead to an action for injunctive relief pursuant to 49 U.S.C. § 30163. (Other remedies and sanctions are available as well.) Please note that maximum civil penalties under 49 U.S.C. § 30165 have increased as a result of the recent enactment of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, Public Law No. 106-414 (signed November 1, 2000). Section 5(a) of the TREAD Act, codified at 49 U.S.C. § 30165(b), provides for civil penalties of up to \$5,000 per day, with a maximum of \$15 million for a related series of violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. This includes failing to respond to ODI information requests.

If State Farm cannot respond to any specific request or subpart(s) thereof, please state the reason why it is unable to do so. If on the basis of attorney-client, attorney work product, or other privilege, State Farm does not submit one or more requested documents or items of information in response to this information request, State Farm must provide a privilege log identifying each document or item withheld, and stating the date, subject or title, the name and position of the person(s) from, and the person(s) to whom it was sent, and the name and position of any other recipient (to include all carbon copies or blind carbon copies), the nature of that information or material, and the basis for the claim of privilege and why that privilege applies.

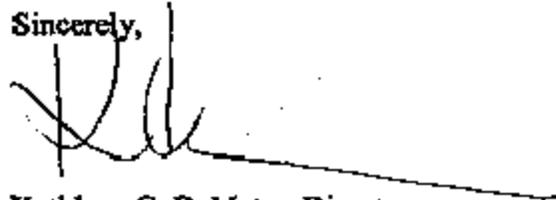
State Farm's response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by **October 28, 2005**. Please refer to **EA05-005** in State

Farm's response to this letter. If State Farm finds that it is unable to provide all of the information requested within the time allotted, State Farm must request an extension from Mr. Richard Boyd at (202) 366-4933 no later than five business days before the response due date. If State Farm is unable to provide all of the information requested by the original deadline, it must submit a partial response by the original deadline with whatever information State Farm then has available, even if an extension has been granted.

If State Farm claims that any of the information or documents provided in response to this information request constitute confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or are protected from disclosure pursuant to 18 U.S.C. § 1905, State Farm must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 CFR Part 512, to the Office of Chief Counsel (NCC-113), National Highway Traffic Safety Administration, Room 5219, 400 Seventh Street, S.W., Washington, D.C. 20590. State Farm is required to submit two copies of the documents containing allegedly confidential information (except only one copy of blueprints) and one copy of the documents from which information claimed to be confidential has been deleted.

If you have any technical questions concerning this matter, please call Bruce York of my staff at (202) 366-6938.

Sincerely,



Kathleen C. DeMeter, Director
Office of Defects Investigation
Enforcement

Enclosure 1, one CD ROM titled Data Collection Disc containing three files