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CP-06-186A

Mr. Daniel C. Smith
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
400 Seventh Street, SW
Washington, DC 20590

06 E-023
(4 pgs.)

Re: Noncompliance Information Report;
Anzo USA, Inc.

Dear Mr. Smith:

Through the undersigned, Anzo USA, Inc. (Anzo), is submitting the enclosed Noncompliance Information Report pursuant to 49 CFR Part 573.

Anzo has decided that certain replacement combination headlamp assemblies that it imported from Taiwan and sold at wholesale in the United States do not comply with paragraph S5.8.1 of Federal Motor Vehicle Safety Standard No. 108, "Lamps, reflective devices, and associated equipment," because they do not contain amber side reflex reflectors. The headlamps comply with all other NHTSA requirements.

If you have any questions, please do not hesitate to contact Mr. Kenneth N. Weinstein, Anzo's regulatory counsel in Washington, DC, who may be reached at (202) 263-3259.

Sincerely,

03/09/2006

Calvin Law
Chief Executive Officer

Enclosure

NONCOMPLIANCE INFORMATION REPORT

Submitted by: Anzo USA, Inc. (Anzo)

1. Manufacturer's name/address:

The replacement headlamp assemblies covered by this report were manufactured in Taiwan by the following manufacturers:

Eagle Eyes Traffic Industrial Co., LTD.
No. 27
Lane 764, Chung-Shan N. Road
Yung-Kang City,
Tainan Hsien, Taiwan, R.O.C.

Sonar Auto Parts Co., LTD
No. 427
Sec. 2, Wenhwa Road
Panchiao, Taipei, Taiwan, R.O.C.

The designated agent for service of process in the United States for Eagle Eyes Traffic Industrial Co., LTD is:

Sabry Lee, Inc.
455 Sixth Avenue
City of Industry, CA 91746

Anzo does not have any information with respect to the identity of the designated agent for Sonar Auto Parts Co., LTD.

The headlamp assemblies covered by this report were imported into the United States by:

Anzo USA, Inc.
19888 Quiroz Court
Walnut, CA 91789

2. Items of equipment involved in this notification

The involved items are replacement headlamp assemblies sold in the aftermarket that do not contain an amber side reflex reflector.

3. Total number of items of equipment:

The total number of headlamp assemblies covered by this report is approximately 105,000. Approximately 8,000 of these assemblies were not sold and remain in Anzo's inventory, where they are being quarantined. The covered items of equipment are

identified by Product Number and by the model of vehicle for which they are intended in two Excel spreadsheets that are being submitted electronically with this report. The first spreadsheet identifies the total number of noncompliant combination headlamps that Anzo purchased, sold, and retains in its inventory. For purposes of this Report, the numbers on that spreadsheet should be reduced by the numbers on the second spreadsheet, which identifies the number of noncompliant combination headlamps that Anzo purchased from U.S. suppliers. Anzo was not the “manufacturer” of the latter headlamps, and it is not responsible for recalling them.

4. Approximate percentage of items of equipment estimated to contain the noncompliance:

Anzo believes that all of these headlamp assemblies contain the noncompliance.

5. Description of the noncompliance:

Pursuant to S5.1 and S5.3 of Federal Motor Vehicle Safety Standard (FMVSS) No. 108 and Tables III and IV of that standard, all passenger cars, and all trucks and multipurpose passenger vehicles less than 80 inches wide, must be equipped with, among other things, an amber reflex reflector on each side of the vehicle as far to the front as practicable. Many vehicle manufacturers incorporate the required amber side reflex reflectors into the headlamp assemblies of their vehicles.

S5.8.1 of FMVSS No. 108, “Replacement Equipment,” provides that “. . . each lamp, reflective device, or item of associated equipment manufactured to replace any lamp, reflective device, or item of associated equipment on any vehicle to which this standard applies shall be designed to conform to this standard.” NHTSA has construed this language to require that if a vehicle manufacturer had incorporated a required amber side reflex reflector as part of a combination headlamp installed as original equipment, any headlamp sold as a replacement item for such a headlamp must also contain an amber side reflex reflector.

The vehicles for which the noncompliant replacement headlamp assemblies were intended were originally equipped with combination headlamps that included an amber side reflex reflector. However, although the assemblies in question were all certified by their manufacturer as complying with FMVSS No. 108, they were manufactured with a clear side reflex reflector, rather than an amber one.

Anzo is not aware of any adverse consequences arising from the noncompliance. It has not received any warranty claims or customer complaints relating to the absence of an amber side reflex reflector in any of the headlamp assemblies that it sold.

6. Chronological summary of events leading to this determination:

In January 2006, Anzo received a letter dated January 9, 2006 from the Office of Vehicle Safety Compliance (OVSC) that suggested that some of the headlamp assemblies sold by Anzo did not comply with S5.8.1 of FMVSS No. 108 because of the absence of amber

side reflex reflectors. Anzo then consulted with outside counsel and learned of the NHTSA interpretation of S5.8.1 that is referred to in the prior paragraph. Anzo promptly stopped further sales of potentially noncompliant headlamp assemblies, and it has quarantined the assemblies that were in its inventory at that time. After considering the matter further, the responsible officials of Anzo decided that a noncompliance exists in the subject headlamp assemblies.

7. Program for remedying the noncompliance:

Anzo plans to conduct a recall under which it will offer to repurchase the noncompliant headlamp assemblies. It is prepared to begin the notification campaign promptly. However, since Anzo only sells its products at wholesale, it does not have information about the ultimate purchasers of the noncompliant headlamp assemblies. Anzo plans to contact its customers in the near future to offer to repurchase any inventory they may still have.

Anzo will provide NHTSA with a copy of its proposed owner and dealer/distributor notification letters for its review prior to commencing the recall campaign.

Anzo does not intend to include any language in that letter with respect to the reimbursement of owners who might have incurred costs to obtain a remedy for the identified noncompliance because, based on the absence of any complaints or other reports about this issue, it is extremely unlikely that any consumers will have replaced the headlamp assemblies in question with compliant assemblies containing amber side reflex reflectors, and thus they will not have incurred any costs that might warrant reimbursement under 49 CFR 573.6(c)(8) or 573.13.


03/09/2006
Calvin Law
Chief Executive Officer

Enclosure