

December 4, 2007

Mr. Daniel Smith, Esq.
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
Attn: Recall Management Division (NVS-215)
Room W48-302
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Defect Information Report pursuant to 49 CFR 573.3(f)

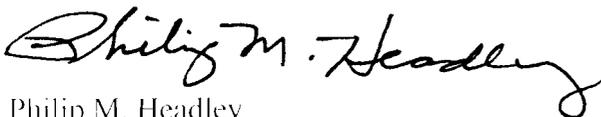
Dear Mr. Smith:

This letter constitutes a defect information report being filed by Continental Automotive Systems (Continental) pursuant to 49 CFR 573.3(f). This report is being filed because Continental has been informed that Nissan has determined that a safety related defect exists in certain vehicles containing ABS and ESC modules manufactured by Continental. See Nissan Part 573 report dated November 16, 2007 (NHTSA Recall 07V-528000).

Continental is filing this report because it sold substantially similar modules to more than one manufacturer for installation as original equipment on vehicles offered for sale in the United States. It should be noted that different manufacturers use different end-of-line tests in their assembly plants, which may detect this issue.

If you have any questions, please contact me.

Sincerely,



Philip M. Headley
Chief Engineer
Continental Automotive Systems

Continental
Automotive Systems Division
One Continental Dr
Auburn Hills, MI 48326

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DEFECT INFORMATION REPORT

- 1. Manufacturer's name/address:**
Continental Automotive Systems
One Continental Drive
Auburn Hills, MI 48326
- 2. Vehicles or Equipment involved in this defect notification:**
ABS and ESC control modules supplied to Nissan and Ford.
We believe these components were installed on the following 2008 model vehicles:

Nissan: Xterra

Ford: Expedition and Escape
- 3. Total number of vehicles or items of equipment:**
A total of 16,526 modules were shipped to the customers. 6,045 of the suspect units were contained at the manufacturer's assembly plants, leaving 10,481 suspect parts in the field. Continental does not know the number of subject components installed on vehicles offered for sale in the United States. Some of the components may have been installed on vehicles offered for sale in other markets.
- 4. Approximate percentage of vehicles or equipment estimated to actually contain the defect:**
Continental believes that fewer than 0.1% of the components actually contain the condition identified by Nissan in its Part 573 report.
- 5. Description of the defect:**
Some of the hydraulic valves in the ESC module were built with extra check balls. The extra check balls can restrict the flow of brake fluid through the valve and cause reduction of the brake force at the corresponding wheel.
- 6. Chronological summary of events leading to this determination:**
See Nissan's chronology in its November 19, 2007 Part 573 report.
- 7. Description of proposed remedy (including schedule for dealer and customer notification):**
Nissan's proposed remedy is described in its Part 573 report. Continental does not have information about any remedy proposals or notification plans of Ford.
- 8. Program for remedy campaign (including program for reimbursing any consumer who obtained the remedy at his/her own expense within one year of the opening of the EA, or within one year of this 573 report, whichever is earlier):**
Nissan's proposed remedy is described in its Part 573 report. Continental does not have any information about any remedy proposals or notification plans of Ford.