crowell moring

1001 Pennsylvania Avenue, NW, Washington, DC 20004-2595 ▪ p 202 624-2500 ▪ f 202 628-5116

Daniel T. Campbell
(202) 624-2544
dcampbell@crowell.com

RECEIVED
By Recall Management Division at 9:35 am, Feb 11, 2013

13T-002
(4 pages)

February 8, 2013

Via e-mail (rmd.odi@dot.gov) *and certified mail*

Ms. Nancy Lewis
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
Attn: Recall Management Division (NVS-215)
1200 New Jersey Avenue, S.E.
Washington, DC 20590

RE: **Part 573 Defect Information Report**

Dear Ms. Lewis:

This letter is provided pursuant to 49 C.F.R. Part 573, to advise the Recall Management Division of a safety-related defect that may exist in certain tires imported by Hercules Tire & Rubber Company ("Hercules Tire") and manufactured in China by Shandong Yongsheng Rubber Group Co., Ltd. ("Yongsheng"). Hercules Tire submits the information below regarding this potential defect – tire wall separation – that has been identified in certain tires.

573.6(c)(1): Manufacturer's Name

A. Fabricating Manufacturer: Shandong Yongsheng Rubber Group Co., Ltd., Dawang Industrial Park, Shandong. Phone: 0546-6920702.

B. Importer/Brand Name: Hercules Tire & Rubber Company, 16380 East U.S. Route 224, Suite 200, Findlay, Ohio 45840. Fax: 419-425-6404.

573.6(c)(2): Identification of Units Impacted

The potentially affected tires are 10-ply Load Range E tires in the All Trac A/T tire line. They are sold for commercial use on light duty trucks. The tires were manufactured in China by Yongsheng. Hercules Tire imports the tires and then sells them to various independent distributors or through its own distributors, who in turn sell the tires to end-users for use on their vehicles.

There are seven tire sizes that may be affected:

Product Name	Size	DOT Serial Number	Owner
Hercules A/T	LT215/85R16 115/112S E	JEHMECL0909-4010	Hercules
Hercules A/T	LT235/85R16 120/116S E	JEHMECL0409-4010	Hercules
Hercules A/T	LT245/75R16 120/116S E	JEHMECL5008-4010	Hercules
Hercules A/T	LT265/75R16 123/120S E	JEHMECL0509-4010	Hercules
Hercules A/T	LT265/70R17 121/118S E	JEHMECL0909-4010	Hercules
Hercules A/T	LT245/75R17 121/118S E	JEHMECL1009-4010	Hercules
Hercules A/T	LT225/75R16 115/112S E	JEHMECL0909-4010	Hercules

The inclusive dates of manufacturing are identified by the final eight digits of the DOT serial number for each affected tire size.

The affected tires are manufactured both with a black wall and with white font on the black wall. The affected tires are the only 10-ply Load Range E tires manufactured by Yongsheng, and can be differentiated from other tires on that basis.

573.6(c)(5): Description of the Defect

Due to a design and/or manufacturing issue – the tires were designed and manufactured by Yongsheng – the potentially affected tires may experience in-service belt and tread separations. These separations typically begin to occur after a tire has been in service for approximately one to two years. These separations are more likely to occur during use in warmer climates. As a result of this failure, it is theoretically possible, but not yet confirmed, that vehicle operators could without warning experience reduced control of their vehicles.

573.6(c)(6): Chronology of Principal Events

On or about September 10, 2012, Hercules Tire was served with a lawsuit alleging, among other things, that a defect manifested in an unspecified tire manufactured[1] by Hercules Tire, causing a collision. Hercules Tire obtained images of the tire, and determined that the tire was most likely manufactured in the All Trac line of tires. Hercules Tire promptly initiated an internal investigation to determine what occurred. As part of its investigation, Hercules Tire examined its own records and gathered information from the tire manufacturer, Yongsheng regarding the tire

[1] The lawsuit inaccurately alleges that Hercules Tire manufactured the at-issue tire. Hercules Tire merely distributed and branded the potentially affected tires identified above.

Crowell & Moring LLP ■ www.crowell.com ■ Washington, DC ■ New York ■ San Francisco ■ Los Angeles ■ Orange County ■ Anchorage ■ London ■ Brussels

population.[2] The investigation revealed a higher than usual adjustment rate for the affected tire population identified above.[3] It was determined that out of an abundance of caution a 573 report was necessary.

573.6(c)(8) & (9): Remedy

Hercules Tire is prepared to conduct a voluntary recall campaign for the potentially-affected tires identified above. Through the recall campaign, Hercules Tire will verify first that a tire falls within the potentially affected population, and then for tires that do, Hercules Tire will replace the tire, mount the new tire, and balance the new tire on the vehicle, if needed. Tires not yet mounted to vehicles will be replaced and destroyed as described below.

Hercules Tire expects owner notification to begin in February 2013.

Hercules Tire expects replacement tires to be immediately available. Hercules Tire will replace potentially affected tires at no cost to the owner if presented for the remedy within sixty (60) days of either: (a) receipt of the owner notification letter; or (b) notice that a replacement tire is available, if not available at the time of inspection. Further, customers who incurred costs repairing or replacing potentially affected tires prior to this notification may be eligible for a reimbursement.

To ensure that potentially affected tires still in inventory are not sold, Hercules Tire has quarantined all of those tires.

Hercules Tire's notification to dealers and distributors will explain that it is unlawful to sell new or used tires potentially affected, and that product sellers and those responsible for replacing potentially affected tires are obligated to notify NHTSA in the event of a prohibited sale or replacement using an affected tire. The notification will further explain how potentially affected tires should be permanently altered so they may not be sold, and that Hercules Tire must receive notification for all tires not so altered. All potentially affected tires are to be sent to designated locations for their destruction or other disposal, and Hercules Tires must receive notification in the event potentially affected tires are not so sent within 30 days.

Hercules Tire is in the process of developing a plan for the destruction of recalled tires in accordance with 49 C.F.R. § 573.6(9)(iii)(D). The terms of this plan will be sent to NHTSA in a supplemental report.

---

[2] It was not until November 2012 that Hercules Tire received confirmation of the tire line. Also in November 2012, Hercules Tirefirst learned the size of the tire at-issue in that lawsuit.
[3] Hercules Tire provided this warranty data to NHTSA, as required under 49 C.F.R. § 579.28.

573.6(c)(10): Representative copies of all notices, bulletins and other communications that relate directly to the defect

A copy of the proposed customer notification letter is enclosed for the agency's review and approval. A copy of dealer letters to be sent to Hercules Tire dealers and distributors is also being submitted with this report. Any other additional notices and communications sent to more than one manufacturer, distributor, dealer or purchaser, will be provided when available.

573.6(c)(11): Brander's Campaign Identification Number

The Hercules Tire campaign identification number is 01-2013.

If appropriate, Hercules Tire will provide supplemental reports to NHTSA regarding the implementation of the recall, as required by applicable regulations.

* * * *

If you have any questions, please do not hesitate to contact Daniel Campbell at (202) 624-2544 or dcampbell@crowell.com, or Rebecca Baden at (202) 624-2772 or rbaden@crowell.com.

Sincerely,

Daniel T. Campbell
Rebecca C. Baden

cc: Hercules Tire & Rubber Company