



U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

APR 11 2013

1200 New Jersey Avenue SE.
Washington, DC 20590

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Robert Babcock, Manager
Certification and Compliance Affairs
Hyundai-Kia America Technical Center, Inc.
Hyundai Motor Corporation
6800 Geddes Road
Superior Township, MI 48197

NVS-213hkb
PE13-007

Dear Mr. Babcock:

This letter is to inform you that the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) has opened Preliminary Evaluation PE13-007 to investigate allegations of rear suspension arm failures related to rear crossmember corrosion in model year (MY) 2006 through 2008 Hyundai Sonata vehicles manufactured by Hyundai Motor Company, and to request certain information.

This office has received six reports alleging rear suspension arm failures related to rear crossmember corrosion in MY 2006 Hyundai Sonata vehicles. Three of the reports allege failures at highway speeds and two (10486435 and 10490073) indicate that the failure resulted in activation of the electronic stability control (ESC) system. A copy of each of the reports is enclosed for your information.

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

- **Subject vehicles:** all MY 2005 through 2008 Hyundai Sonata vehicles manufactured for sale or lease in the United States.
- **Subject assembly:** the rear suspension assembly, including all rear suspension arms and the rear crossmember assembly that were manufactured for use as original equipment or replacement parts on the subject vehicles.
- **Hyundai:** Hyundai Motor Company, Hyundai Motor America, Hyundai-Kia America Technical Center, Inc., and all of their 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 Hyundai (including all business units and persons previously referred to), who are or, in or after January 1, 1999, were involved in any way with any of the following related to the alleged defect in the subject vehicles:

- a. Design, engineering, analysis, modification or production (e.g. quality control);
 - b. Testing, assessment or evaluation;
 - c. Consideration, or recognition of potential or actual defects, reporting, record-keeping and information management, (e.g., complaints, field reports, warranty information, part sales), analysis, claims, or lawsuits; or
 - d. Communication to, from or intended for zone representatives, fleets, dealers, or other field locations, including but not limited to people who have the capacity to obtain information from dealers.
- **Alleged defect:** complete or partial separation of rear suspension arms or severe perforation corrosion of the rear crossmember assembly.
 - **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 Hyundai, 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 Hyundai 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,” “fleet,” “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 Hyundai has previously provided a document to ODI, Hyundai 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 Hyundai’s response to each request, identify the source of the information and indicate the last date the information was gathered.

1. State, by model and model year, the number of subject vehicles Hyundai has manufactured for sale or lease in the United States. Separately, for each subject vehicle manufactured to date by Hyundai, state the following:
 - a. Vehicle identification number (VIN);
 - b. Make;
 - c. Model;
 - d. Model Year;
 - e. Subject component part number and design version installed as original equipment;
 - f. Date of manufacture;
 - g. Date warranty coverage commenced; and
 - h. The State in the United States where the vehicle was originally sold or leased (or delivered for sale or lease).

Provide the table in Microsoft Access 2000, or a compatible format, entitled “PRODUCTION DATA.” See Enclosure, Data Collection Disc, for a pre-formatted table that provides further details regarding this submission.

2. State the number of each of the following, received by Hyundai, or of which Hyundai is otherwise aware, which relate to, or may relate to, the alleged defect in the subject vehicles:
 - a. Consumer complaints, including those from fleet operators;

- b. Field reports, including dealer field reports;
- c. Reports involving a crash, injury or fatality;
- d. Property damage claims; and
- e. Third-party arbitration proceedings where Hyundai is or was a party to the arbitration; and
- f. Lawsuits, both pending and closed, in which Hyundai is or was a defendant or codefendant.

For subparts "a" through "f" state the total number of each item (e.g., consumer complaints, field reports, etc.) separately. 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., a consumer complaint and a field report involving the same incident in which a crash occurred are to be counted as a crash report, a field report and a consumer complaint).

In addition, for items "c" through "f," provide a summary description of the alleged problem and causal and contributing factors and Hyundai's assessment of the problem, with a summary of the significant underlying facts and evidence. For items "e" and "f" identify the parties to the action, as well as the caption, court, docket number, and date on which the complaint or other document initiating the action was filed.

3. Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 2, state the following information:
 - a. Hyundai's file number or other identifier used;
 - b. The category of the item, as identified in Request No. 2 (i.e., consumer complaint, field report, etc.);
 - c. Vehicle owner or fleet name (and fleet contact person), address, and telephone number;
 - d. Vehicle's VIN;
 - e. Vehicle's make, model and model year;
 - f. Vehicle's mileage at time of incident;
 - g. Incident date;
 - h. Report or claim date;
 - i. Whether a crash is alleged;
 - j. Which rear control arm failed (i.e. left or right side, upper or lower);
 - k. Whether property damage is alleged;
 - l. Number of alleged injuries, if any; and
 - m. Number of alleged fatalities, if any.

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 that provides further details regarding this submission.

4. Produce copies of all documents related to each item within the scope of Request No. 2. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) and describe the method Hyundai used for organizing the documents.

5. State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by Hyundai to date that relate to, or may relate to, the alleged defect in the subject vehicles: warranty claims; extended warranty claims; claims for good will services that were provided; field, zone, or similar adjustments and reimbursements; and warranty claims or repairs made in accordance with a procedure specified in a technical service bulletin or customer satisfaction campaign.

Separately, for each such claim, state the following information:

- a. Hyundai's claim number;
- b. Vehicle owner or fleet name (and fleet contact person) and telephone number;
- c. Vehicle owner's or fleet address
- d. VIN;
- e. Repair date;
- f. Vehicle mileage at time of repair;
- g. Repairing dealer's or facility's name, telephone number, city and state or ZIP code;
- h. Labor operation number;
- i. Problem code;
- j. Replacement part number(s) and description(s);
- k. All customer concern narratives; and
- l. All dealer/technician comment narratives.

Provide this information in Microsoft Access 2000, or a compatible format, entitled "WARRANTY DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table that provides further details regarding this submission.

6. Describe in detail the search criteria used by Hyundai to identify the claims identified in response to Request No. 5, including the labor operations, problem codes, part numbers and any other pertinent parameters used. Provide a list of all labor operations, labor operation descriptions, problem codes, and problem code descriptions applicable to the alleged defect in the subject vehicles. State, by make and model year, the terms of the new vehicle warranty coverage offered by Hyundai on the subject vehicles (i.e., the number of months and mileage for which coverage is provided and the vehicle systems that are covered). Describe any extended warranty coverage option(s) that Hyundai offered for the subject vehicles and state by option, model, and model year, the number of vehicles that are covered under each such extended warranty.
7. Produce copies of all service, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject vehicles, that Hyundai has issued to any dealers, regional or zone offices, field offices, fleet purchasers, or other entities. This includes, but is not limited to, bulletins, advisories, informational documents, training documents, or other documents or communications, with the exception of standard shop manuals. Also include the latest draft copy of any communication that Hyundai is planning to issue within the next 120 days.
8. 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 in the subject vehicles that have been conducted, are being

conducted, are planned, or are being planned by, or for, Hyundai. 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 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.

9. Describe all modifications or changes made by, or on behalf of, Hyundai in the design, material composition, manufacture, quality control, supply, or installation of the subject assembly, from the start of production to date, which relate to, or may relate to, the alleged defect in the subject vehicles. For each such modification or change, provide the following information:
 - a. The date or approximate date on which the modification or change was incorporated into vehicle production;
 - b. A detailed description of the modification or change;
 - c. The reason(s) for the modification or change;
 - d. The part number(s) (service and engineering) of the original component;
 - e. The part number(s) (service and engineering) of the modified component;
 - f. Whether the original unmodified component was withdrawn from production and/or sale, and if so, when;
 - g. When the modified component was made available as a service component; and
 - h. Whether the modified component can be interchanged with earlier production components.

Also, provide the above information for any modification or change that Hyundai is aware of which may be incorporated into vehicle production within the next 120 days.

10. Provide the following information regarding the subject assembly:
 - a. Provide a description of the rear suspension assembly, including a diagram labeling all suspension arms and structural components;
 - b. Describe the purpose of each suspension arm used in the rear suspension assembly;
 - c. For each suspension arm in the subject assembly, describe the effects on vehicle handling and control of (1) a complete detachment; and (b) a partial detachment;
 - d. Provide all design FMEAs (Failure Mode Effects Analysis) related to the subject assembly including any FMEAs related to corrosion failures;
 - e. Describe all potential paths for water and other foreign material entering the rear crossmember and Hyundai's assessment of the primary entry path associated with observed corrosion failures;

- f. Provide Hyundai's assessment of collection points for water and other foreign material that has entered the rear crossmember;
 - g. Describe the corrosion protection system for the rear crossmember (internal and external), including all minimum thickness specifications for anti-corrosion protection systems and drainage features and provide copies of all related specifications;
 - h. Using a diagram or photograph of the subject assembly, identify the areas Hyundai believes are experiencing the most severe corrosion and the most common suspension arm separation points;
 - i. Give Hyundai's assessment of the geographic distribution of failure risk based on failure rates and trend, field surveys or other data used by Hyundai to measure corrosion patterns in the United States in suspension components; and
 - j. Describe all requirements for salt-spray and other durability tests related to corrosion resistance and provide copies of all documents related to such requirements and test results for the subject vehicles.
11. State the number of the following parts that Hyundai has sold that may be used in the subject vehicles by component name, part number (both service and engineering/production), model and model year of the vehicle in which it is used and month/year of sale (including the cut-off date for sales, if applicable). Also identify by make, model and model year, any other vehicles of which Hyundai is aware that contain the identical component, whether installed in production or in service, and state the applicable dates of production or service usage.
- a. Rear crossmember;
 - b. All rear suspension arms;
 - c. Any kits that have been released, or developed, by Hyundai for use in service repairs to the subject assembly.

For each component part number, provide the supplier's name, address, and appropriate point of contact (name, title, and telephone number). Also identify by make, model and model year, any other vehicles of which Hyundai is aware that contain the identical component, whether installed in production or in service, and state the applicable dates of production or service usage.

12. Furnish Hyundai's assessment of the alleged defect in the subject vehicle, including:
- a. The causal or contributory factor(s);
 - b. The failure mechanism(s);
 - c. The failure mode(s);
 - d. The risk to motor vehicle safety that it poses;
 - e. The effect on vehicle control while driving at highway speeds (e.g. speeds ≥ 55 mph) and while turning at speeds above and below 55 mph;
 - f. What warnings, if any, the operator and the other persons both inside and outside the vehicle would have that the alleged defect was occurring or subject component was malfunctioning; and
 - g. The reports included with this inquiry.

Legal Authority for This Request

This letter is being sent to Hyundai 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.

Civil Penalties

Hyundai's failure to respond promptly and fully to this letter could subject Hyundai 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.) The Vehicle Safety Act, as amended, 49 U.S.C. § 30165(b), provides for civil penalties of up to \$7,000 per day, with a maximum of \$17,350,000 for a related series of violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. *See* 49 CFR 578.6 (as amended by 77 Fed. Reg. 70710 (November 27, 2012)). This includes failing to respond completely to ODI information requests.

If Hyundai 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, Hyundai does not submit one or more requested documents or items of information in response to this information request, Hyundai 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.

Confidential Business Information

All business confidential information must be submitted directly to the Office of Chief Counsel as described in the following paragraph and should not be sent to this office. In addition, do not submit any business confidential information in the body of the letter submitted to this office. Please refer to PE13-007 in Hyundai's response to this letter and in any confidentiality request submitted to the Office of Chief Counsel.

If Hyundai 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, Hyundai must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 CFR Part 512, as amended, to the Office of Chief Counsel (NCC-111), National Highway Traffic Safety Administration, Room W41-227, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. Hyundai 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.** Please remember that the phrase "ENTIRE PAGE CONFIDENTIAL BUSINESS INFORMATION" or "CONTAINS CONFIDENTIAL BUSINESS INFORMATION" (as appropriate) must appear at the top of each page containing information claimed to be confidential, and the information must be clearly identified in

accordance with 49 CFR 512.6. If you submit a request for confidentiality for all or part of your response to this IR, that is in an electronic format (e.g., CD-ROM), your request and associated submission must conform to the new requirements in NHTSA's Confidential Business Information Rule regarding submissions in electronic formats. *See* 49 CFR 512.6(c) (as amended by 72 Fed. Reg. 59434 (October 19, 2007)).

If you have any questions regarding submission of a request for confidential treatment, contact Otto Matheke, Senior Attorney, Office of Chief Counsel at otto.matheke@dot.gov or (202) 366-5253.

Due Date

Hyundai's response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by May 31, 2013. If Hyundai finds that it is unable to provide all of the information requested within the time allotted, Hyundai must request an extension from me at (202) 366-5207 no later than five business days before the response due date. If Hyundai 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 Hyundai then has available, even if an extension has been granted.

Please send email notification to Kerrin Bressant at (kerrin.bressant@dot.gov) and to ODI_IRresponse@dot.gov when Hyundai sends its response to this office and indicate whether there is confidential information as part of Hyundai's response.

If you have any technical questions concerning this matter, please call Kerrin Bressant of my staff at (202) 366-1110.

Sincerely,



Jeffrey L. Quandt, Chief
Vehicle Control Division
Office of Defects Investigation

Enclosure 1, one CD-ROM titled Data Collection Disc containing four Microsoft Access database template files.

PE13-007 PRODUCTION DATA.mdb
PE13-007 REQUEST NUMBER TWO DATA.mdb
PE13-007 WARRANTY DATA.mdb
PE13-007 VOQs.pdf

VOQs

10437887, 10473922, 10483564, 10486435, 10486752, and 10490073