



June 20, 2013

Jennifer Timian
Chief, Recall Management Division
National Highway Traffic Safety Administration
NVS-215, Room W46-421
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Ms. Timian,

The following information is submitted in accordance with National Highway Traffic Safety Administration's reporting regulations, 49CFR Part 573.6.

Zero Motorcycles Inc. has determined that a defect which relates to motor vehicle safety exists on certain model year 2013 Zero Motorcycles motorcycles.

IDENTIFICATION OF EQUIPMENT POTENTIALLY CONTAINING THE DEFECT:

The recall population of 128 motorcycles includes 2013 model year Zero FX model motorcycles built January 28, 2013 through May 21, 2013; and 2013 model year Zero XU model motorcycles built January 16, 2013 through May 20, 2013. This covers the entire range of motorcycles potentially containing the subject defect.

DESCRIPTION OF DEFECT:

The subject motorcycles have one or two modular batteries, which may contain manufacturing defects in their internal sealing compound that could allow water to penetrate the battery and contact the cells. Should water reach the cells, the cells may corrode and eventually release their electrolyte. The electrolyte could then form a conductive path between cells, which may lead to a rapid temperature increase and off-gassing of the battery. This condition could result in property damage and personal injury.

CHRONOLOGY OF EVENTS:

On 04/03/2013, Zero Motorcycles received a report of a 2013 Model Year (13MY) FX model motorcycle (538XX3Z18DCC02753) that exhibited a leak from one of its modules. This module was returned to Zero Motorcycles on 04/05/2013, and handed over the same day to Farasis Energy, Inc., Zero Motorcycles' battery supplier, for analysis.

Over the next several weeks, Zero Motorcycles collaborated with Farasis Energy on the analysis of this module as well as other suspect modules within Zero Motorcycles' control and two additional leaky modules returned to Zero Motorcycles from our Powertrain Sales operations (not being used on on-road vehicles). This analysis led to the conclusion that a manufacturing

defect with the sealant inside these modules led to water ingress that reached the cells and corroded them, causing these leaks.

On 06/04/2013, Zero Motorcycles issued a technical service bulletin (13V-501) requesting dealers and owners to inspect 13MY battery modules for signs of leaking.

On 06/19/2013, Zero Motorcycles completed its internal investigation of this issue and concluded that the battery modules on 13MY FX and XU motorcycles built on or prior to May 21, 2013 could contain manufacturing defects that may allow water ingress to the cells, which could cause the cells to corrode and eventually leak their electrolyte, possibly creating a conductive path between cells that could then lead to a rapid temperature increase and off-gassing of the battery. Zero Motorcycles executive management considered this information and determined that a defect related to motor vehicle safety existed.

Zero Motorcycles is not aware of any accidents or injuries caused by this condition.

DESCRIPTION OF THE PROGRAM TO REMEDY THE DEFECT:

The remedy of this defect is for Zero Motorcycles personnel or authorized Zero Motorcycles dealers to remove the module(s) from these vehicles and return them to Zero Motorcycles for replacement.

SUPPLIER INFORMATION:

Farasis Energy, Inc.
21363 Cabot Blvd.
Hayward, CA 94545
Tel: (510) 732-6600
Fax: (510) 887-1211
CEO: Dr. Yu Wang
Contact Person: John Hackenberg

DEALER AND OWNER NOTIFICATION:

Zero Motorcycles expects to notify its dealer network and motorcycle owners no later than the week of June 24, 2013.

Part 577 NOTICE LETTER:

A draft of the owner notification letter is attached.

Please advise the undersigned of the campaign assigned by ODI to this recall.

Sincerely,



Richard Kenton
Director of Customer Service
Zero Motorcycles Inc.