

Safety Defect and Noncompliance Report Guide for VehiclesPART 573 Defect and Noncompliance ReportDate: June 4, 2014

This report serves as KTM North America, Inc.'s notification to the U.S. Department of Transportation National Highway Traffic Safety Administration that a defect related to motor vehicle safety exists in certain motorcycles. KTM decided that this defect existed in these vehicles on May 28, 2014.

I. Manufacturer, Designated Agent, and Other Chain of Distribution Information

Manufacturer's corporate name: KTM-Sportmotorcycle AG

Vehicle brand or trademark name owner(s) (where applicable): KTM

Designated Agent (imported vehicles):

KTM North America, Inc. 1119 Milan Ave, Amherst, OH 44001

If this notification concerns a defective or noncompliant component that the above identified manufacturer did not manufacture, identify that component and provide the name, address, and phone number of the manufacturer of the component (if this manufacturer is unknown, provide this information as to the supplier of the component):

BOELLHOFF GmbH, JOHANN ROITHNER-STRASSE 131, 4061 Traun, Austria

+43 72 29 6 91 69

www.boellhoff.at

Name, address, email, and phone and fax numbers for the person(s) to whom inquiries about this report should be directed:

Viola Mader, KTM North America, Inc., 38429 Innovation Court, Murrieta, CA

vmader@ktmnorthamerica.com

Phone (951) 600-8007 x 4135, Fax (951) 600-8866

Manufacturer's assigned campaign number (where applicable): TBD

II. Identification of the Recall Population and Its Size

Complete the tables below for each group of vehicles subject to this notification. Additional tables may be necessary where there are more than three groups subject to a notification.

Make: KTM
Model: 690 Enduro R
Model Year(s): 2014
Inclusive dates of manufacture (month and year): October 2013 to April 2014
Body Style/Type (for non-passenger cars): motorcycle
Other information necessary to describe these vehicles (e.g., VIN range, GVWR or class for trucks, displacement for motorcycles, and number of passengers for buses): 690 ccm, photo and VIN list enclosed
Total number of these vehicles: 649

Make:
Model:
Model Year(s):
Inclusive dates of manufacture (month and year):
Body Style/Type (for non-passenger cars):
Other information necessary to describe these vehicles (e.g., VIN range, GVWR or class for trucks, displacement for motorcycles, and number of passengers for buses):

Total number of these vehicles:

Make:
Model:
Model Year(s):
Inclusive dates of manufacture (month and year):
Body Style/Type (for non-passenger cars):
Other information necessary to describe these vehicles (e.g., VIN range, GVWR or class for trucks, displacement for motorcycles, and number of passengers for buses):
Total number of these vehicles:

Provide the following information as to all the groups of vehicles:

Grand total number of vehicles: 649

The percentage of the recall population you estimate actually contain the defect or noncompliance: 50 %

Identify and describe how the recall population was determined (e.g., on what basis the recalled models were selected and how the inclusive dates of manufacture were determined):

Recalled models were selected based on being assembled with the improper finish torque setting of the assembly tool and insufficient treatment with locking agent when installing the rear brake pedal screw in the production process of the entire model year volume.

Describe how the recall population is different from any similar vehicles not subject to this notification:

There are no similar vehicles in KTM's model year 2014 line up

III. Description of the Defect or Noncompliance and Chronology of Events

Describe the defect or noncompliance, including a summary and detailed description of the nature and physical location (if appropriate) of the defect or noncompliance. Graphic aids should be provided where necessary.

Rear Brake Pedal Screw could loosen and become detached from its mounting position where it holds the Rear Brake Pedal in place. The Rear Brake Pedal is located on the right side of the vehicle in front of the rider foot peg.

Describe the cause(s) of the defect or noncompliance condition.

The combination of improper finish torque during assembly at the manufacturer along with an insufficient application of the locking agent to the rear brake pedal screw on the supplier side has been determined as cause of the defect.

Describe the safety consequence(s) of the defect or noncompliance condition.

The rear brake may become inoperable as a consequence of the rear brake pedal mounting screw becoming loose.

Identify any warning(s) that may precede the defect or noncompliance condition.

The rear brake pedal may feel loose or become entirely detached without warning.

For defects, provide a dated, chronological summary of all the principle events that were the basis for the determination that the defect is related to motor vehicle safety, including a summary of all warranty claims, field or service reports, and other information such as numbers of crashes, injuries and fatalities.

Technical Bulletin issued on April 1 2014 by the manufacturer and forwarded on April 15 2014 to KTM North America, Inc. following the determination of improper tightening of the rear brake pedal screw during assembly at the manufacturer. At that time a potential safety risk was rolled out due to the fact that the rear brake pedal screw was locked into place by an agent, preventing the screw from becoming loose or detached. Upon further investigation of the circumstances, the inadequacy of the locking agent application on the screw by the supplier was discovered, hence posing a safety risk of the screw becoming loose or detached. On Wednesday May 28 2014, the manufacturer decided to conduct a safety campaign, replacing the rear brake pedal screw on affected units. KTM North America, Inc. has received a total of three warranty claims, dated 2-28-2014, 4-8-2014 and 4-16-2014; KTM North America, Inc. is not aware of any crashes, injuries or fatalities in connection with this safety campaign.

For noncompliances, identify the test results and other information considered in determining the existence of the noncompliance, and provide the date of each test and observation indicative of that noncompliance.

IV. The Remedy Program and Its Schedule

Describe the program for remedying the defect or noncompliance, including the plan for reimbursing those owners and purchasers who may have incurred costs to remedy the defect or noncompliance before receiving the manufacturer's notification concerning that defect or noncompliance. Also include, where applicable, details with dates concerning any production remedy that was conducted or will be conducted.

~~Authorized KTM dealers will install a washer and new rear brake pedal screw using the proper finish torque and locking agent on affected units at no cost to the owners; they will do the same on affected units in their dealer inventory prior to delivery to retail customers. Owners who have previously remedied the defect will be reimbursed upon showing evidence thereof to KTM.~~

~~KTM North America, Inc. will install a washer and new rear brake pedal screw using the proper finish torque and blue Loctite 243 locking agent on affected units in its distributor inventory before delivery to the authorized dealers.~~

Provide the estimated date(s) on which owner and purchaser notifications will be issued and the estimated date(s) for completion of those notifications.

~~As soon as NHTSA approves the draft documents submitted for review, KTM will start sending out notification letters to registered owners, which should be concluded within seven days.~~

Provide the estimated date(s) on which dealer and distributor notifications will be issued and the estimated date(s) for completion of those notifications.

~~As soon as NHTSA approves the draft documents submitted for review, KTM will start posting notifications to its authorized dealers via internet, using a freeze message tool forcing the dealers to read the message before being able to continue working within the KTM dealer network system.~~

Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly.

The replacement screw includes a washer, is 30 mm long, treated with blue Loctite thread locker and tightened to 25 Nm; the original screw is 25 mm without a washer, not sufficiently treated with Precote locking agent and not properly tightened to 25 Nm.

******* IMPORTANT REMINDERS *******

A DRAFT version of the letter that the manufacturer intends to mail to owners and purchasers notifying them of the defect and/or noncompliance must be submitted to NHTSA at least five Federal Government business days before those letters are issued. In addition, it is recommended that the draft version of the letter that the manufacturer intends to send to its dealers and distributors concerning the defect and/or noncompliance also be submitted for review. For prompt receipt and review, drafts may be submitted to the attention of the Recall Management Division (NVS-215) via facsimile on (202) 366-7882, or email to RMD.ODI@dot.gov.

A representative copy of all notices, bulletins, and other communications that relate directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, dealer, or purchaser, must be submitted to NHTSA no later than five days after they are initially sent. This requirement applies both to the final version of the notification letter that is sent to owners and purchasers, as well as the final version that is sent to dealers and distributors. It also includes any follow-up notifications issued concerning a recall. The representative copies of the letters sent to owners and purchasers, and dealers and distributors, must be submitted via certified mail. It is strongly recommended, however, that additional representative copies be submitted via facsimile on (202) 366-7882, or email to RMD.ODI@dot.gov, so that the submission can be more promptly reviewed. All submissions should be conspicuously labeled with the appropriate NHTSA-assigned recall number.

