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Referred By: NPP-011
Doc Date: 3/13/2006
Due Date: 4/13/2006

S10 #:

DOT/I #: 2006-7179

RMP #:

Subject: LTR FM [REDACTED] (VA) RE THE FAULTY DESIGN OF THE WATER PUMP WHICH CAUSE THE TIMING BELT TO PREMATURELY BREAK IN HIS 2001 AUDI QUATTRO; AUDI HAS BEEN THE SUBJECT OF A CLASS ACTION SUIT RE THIS PROBLEM; REPLY TO THE ROANOKE OFC, DOT/IF 2006-7179

Ack Date:
Sign Office: DIRECTOR FOR
EXTERNAL AFFAIRS
Cleared Date:
File Loc:
Added By: SHARRIS x62634

Ack By:
Signature: HARRINGTON
Cleared By:
XREF File:
Modified By: LOGLESBY

Signed For:
Cleared For:
Closed Date:

Most Recent Comment:

Author:

10155164

The Honorable JOHN WARNER
UNITED STATES SENATE

WASHINGTON, DC 20510
Tel: Fax: E-mail:

2006 APR -4 AM 7:28

Assigned To	Task	Asgn Date	Deadline	Returned Date
NVS-200	REPLY	4/4/2006	4/13/2006	
	Return Process	4/4/2006		4/4/2006
ODI	REPLY	4/4/2006	4/11/2006	
NVS-010	INFORMATION	4/4/2006		4/4/2006
NIA-110	INFORMATION	4/4/2006		4/4/2006
I10	INFORMATION	4/4/2006		4/4/2006
I20	INFORMATION	4/4/2006		4/4/2006

*And more
4/4/06*

JOHN WARNER
SENATOR

ARMED SERVICES, CHAIRMAN
ENVIRONMENT AND PUBLIC WORKS
SELECT COMMITTEE ON INTELLIGENCE
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

United States Senate

March 13, 2006

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(540) 800-8000

Ms. Nicole Nason
Assistant Secretary for
Department of Transportation
Governmental Affairs
400 Seventh Street, SW, Room 10408 (I-10)
Washington, D.C. 20590-0001

Dear Ms. Nason:

Attached is a letter which I have received from [REDACTED] regarding his concerns that the timing belt of his 2001 Audi Quattro has broken. [REDACTED] understands that this problem is wide spread and that Audi has been the subject of a class action suit with reference to this problem.

I would appreciate it if you would review this matter and advise if your agency can be of any assistance to him.

Thank you for your consideration.

With kind regards, I am

Sincerely,


John Warner

JW/cc

PLEASE REPLY TO THE OFFICE INDICATED

WASHINGTON

MELOTTMAN

ROANOKE

ARRINGTON

NEWPORT

PRINTED ON RECYCLED PAPER

2006-11-29
ES06-002051

[REDACTED]
Harrisonburg, VA [REDACTED]

March 10, 2006

Senator John Warner
Senate Office Building
Roanoke, VA

Dear Senator Warner:

Flow Audi in Charlottesville, VA, has performed diagnostic tests on my 2001 Audi Quattro to discover the reason for the premature breakage of the timing belt on March 3, the extent of the damage it caused, and the estimate for repairs. These tests (at \$220) had been recommended by Mr. Malcolm Mason from Audi Customer Relations in Rochester Hills, Michigan. Mr. Mason said that Audi would cover the cost of towing, diagnosis, and repairs if the timing belt broke and caused the damage (Case ref # [REDACTED]).

The total for the repairs is close to \$6000. Now Audi tells us that a defective water pump caused the timing belt break so they will not cover the repairs. It does not matter what caused it. The timing belt broke prematurely and there is a record of this happening. If the water pump caused this, there is clearly a design problem.

The July 17, 2005, article in The Boston Globe reports that premature timing belt breakage is a problem with Audi's and Audi has been the subject of a class action suit over this problem. In fact, I know of other Audi owners in this area who have had the same problem. One owner said he contacted his state attorney general's office in New Jersey and the problem was immediately fixed. I tried contacting my Virginia attorney general's office and was put through to the department of agriculture who apparently also handles consumer complaints. They told me they could not do anything.

I would like to request that Senator Warner's office ask the Virginia attorney general to immediately call Audi headquarters about this problem or that Senator Warner's office call Johan De Nysschen, VP of Audi-America, directly at 248-997-7400. Consumers should not have to bear the very heavy cost of Audi's faulty design.

Alternatively, you may call David Walski, operations manager and owner of Flow Audi in Charlottesville at 1-336-399-3086. Mr. Joe Kotales, regional director of Audi, made the decision not cover the cost of these damages, but Audi would not give me his number.

I am including documents that show some of the ongoing problems people have had. You cannot fax me back, but you can reach me if you have any questions at [REDACTED] or [REDACTED]. I would greatly appreciate your getting to this quickly. Thank you so much for your help.

Sincerely

[REDACTED]
Harrisonburg, VA [REDACTED]
email: [REDACTED]

CC. Johan De Nyschen
Audi Corp.
Rochester Hills, MI.
Fax: 248-754-6521

boston.com

THIS STORY HAS BEEN FORMATTED FOR EASY PRINTING

CONSUMER BEAT

The Boston Globe

Class action can be engine of change Before settlement, Audi customers were kept out of loop on belt problems

By Bruce Mohl, Globe Staff | July 17, 2005

██████████ took her 1998 Audi A4 into a body shop in January and received an unexpected warning.

The body shop worker, who was selling her a part, casually mentioned that Audis like hers were known for having timing belt problems and suggested she might want to have it replaced.

She didn't give the warning much credence, since the car had just been in for its 75,000-mile checkup and no one at the Audi dealership had mentioned replacing the timing belt. Audi itself recommended that the belt be replaced at 90,000 miles.

But the very next day her engine seized up and stopped as she was making a turn across oncoming traffic on a state highway. The timing belt had snapped, paralyzing her car and causing \$4,847 of engine damage.

"This is the stuff of class-action lawsuits," ██████████ wrote to Audi in January. "Audi should at a minimum reimburse us for the expenses we incurred because service technicians went 'by your book' and, in doing so, knowingly put us at considerable risk."

What ██████████ didn't know was that Audi was already aware of the timing belt problem. More than two years earlier a class-action lawsuit alleging defective timing belts on all 1997-1999 Audi A4s with 1.8-liter turbo engines had been filed in New Jersey. The company chose not to warn its customers about the potential danger until a preliminary settlement was reached in May.

Audi spokesman Axel E. Coffon said the company was not obligated to inform customers until the extent of the problem had been fully determined, but ██████████ said she believes the company had a moral obligation to act more quickly.

"As soon as they had enough information to indicate that their timing belts were not safe, there was a duty on them to inform people," said [REDACTED] who runs her own Boston public relations firm. "The consequences of them not doing so were huge, not just in terms of the cost of repairs but in terms of human life. Someone could have been killed."

Edward "Ted" Millstein, a lawyer with Berger & Montague in Philadelphia who helped file the class-action case against Audi, acknowledged the automaker was under no legal obligation to notify customers until a settlement was reached.

"Different companies handle this differently, but it is innocent until proven guilty," Millstein said.

Millstein estimated more than 1,000 of the 35,000 Audi A4 owners had their timing belts break prematurely, although data are still being gathered. He said he was not aware of injuries associated with the timing belt problem.

A spokesman for the National Highway Traffic Safety Administration, which oversees recalls, said the agency had no information on the Audi situation. The spokesman, Rae Tyson, said the agency typically doesn't launch an investigation unless there is a documented safety issue involving crashes, injuries, and/or deaths.

Asked whether a broken timing belt could represent a safety issue, Tyson said it could. "But unless there is some documentation that it was a safety problem, then we don't get involved with it," he said. "We don't get involved with theoretical safety issues."

When [REDACTED] reported her timing belt incident to Audi in January, a company official told her she would receive no compensation because her car was beyond warranty. [REDACTED] then sought mediation through the attorney general's office and contacted the Globe. An Audi spokesman told the Globe at that time that he knew of no recurring problem with the company's timing belts.

In February, [REDACTED] received a letter from Audi regional coordinator Ingrid Evert stating that time and mileage deadlines for vehicle maintenance are recommendations and not "a guarantee that you will not experience a shortcoming in manufacturing with any component(s)."

Nevertheless, Evert offered, "as a gesture of goodwill," to pay half the repair bill. [REDACTED] accepted the offer. But in May she received a letter from Audi informing her that her timing belt problem was not isolated.

"Some Audi owners have reported internal engine damage resulting from a broken timing belt," said the letter, which outlined a preliminary class-action settlement. "If the timing belt of your vehicle were to break, the engine will not run and may sustain serious internal damage."

Audi, without admitting any guilt, agreed to pay for any timing belt-related repairs through 105,000 miles. The settlement also mandated inspections of Audi A4 timing belts at 40,000 and 80,000 miles, but did not cover replacement of a timing belt as part of regular maintenance. The new timing belt warranty transfers to subsequent owners of the vehicles.

Under the settlement, Audi will pay the balance of [REDACTED] repair bill, something that she said wouldn't have happened without the class-action lawsuit.

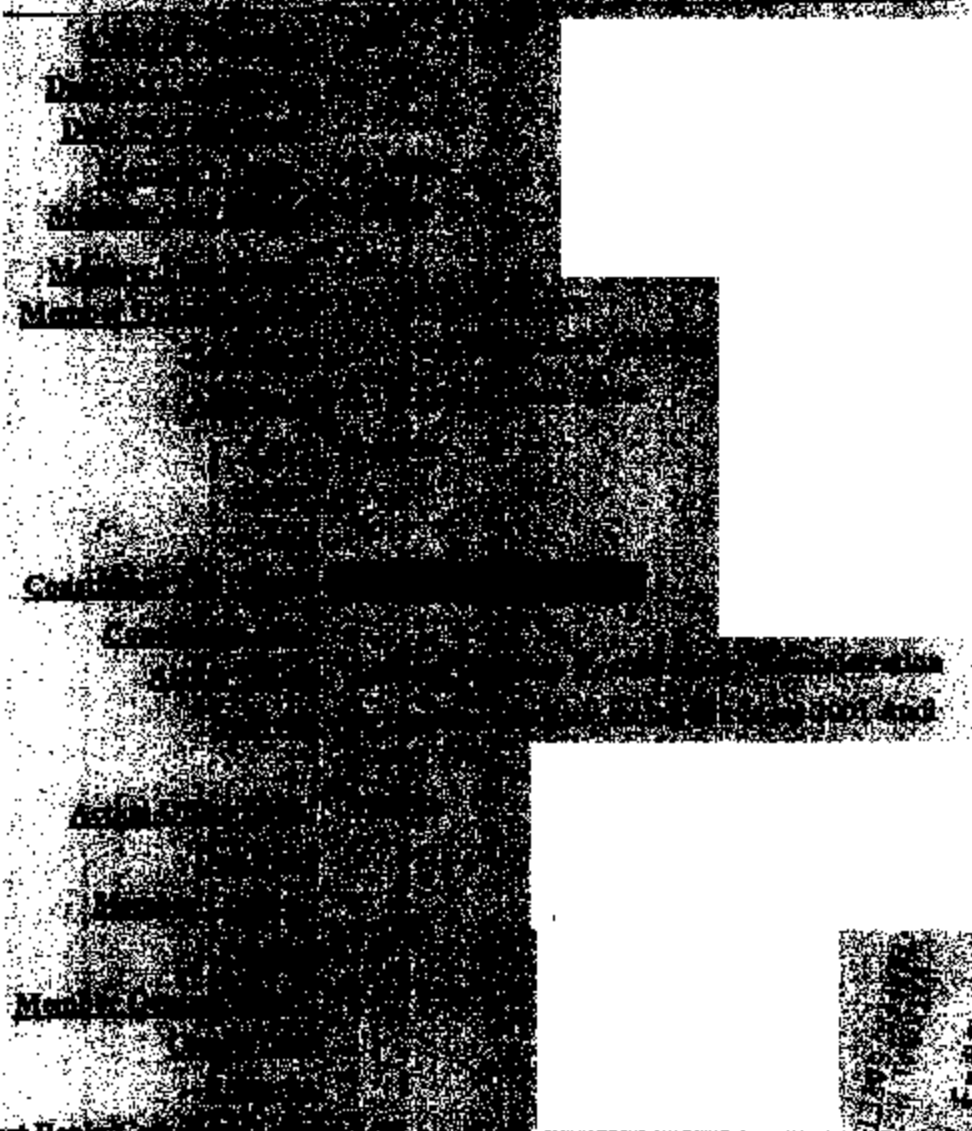
Class actions have come under fire in recent years, largely because they are seen as benefiting attorneys more than victims. In February, President Bush signed a measure that places limits on class-action lawsuits, requiring more of them to be filed in federal rather than state courts and curbing settlements involving coupons for goods and services.

[REDACTED] said the Audi case demonstrates that sometimes a class-action lawsuit is a consumer's best line of defense.

Bruce Mohl can be reached at mohl@globe.com. ■

2006 Senate

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