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April 13, 2004

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BY HAND DELIVERY

Jeffrey L. Quandt, Chief
Vehicle Control Division
Office of Defects Investigation
National Highway Traffic Safety Administration
400 Seventh St., S.W.
Washington, D.C. 20590

Re: ODI Identification Number PE03-058

Dear Mr. Quandt:

This letter is submitted on behalf of Mercedes-Benz USA, LLC ("MBUSA") and its parent company, DaimlerChrysler AG ("DCAG") in response to the Office of Defects Investigation's information request dated January 4, 2004 that was issued in Preliminary Evaluation ("PE") #03-058. This letter supplements the initial responses to this information request dated March 12, and March 29, 2004, and addresses two requests for additional information that arose during our meeting on March 29, 2004.

As you requested, we have obtained color copies of the three slides that were shown during our meeting. These slides are included as attachment A to this letter. These slides are based on confidential data collected from suppliers during analysis and related development of the rubber compound for the rubber ring and

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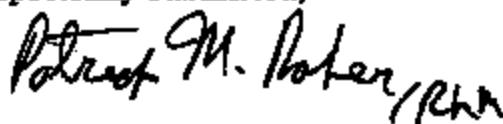
are being submitted simultaneously to the Office of Chief Counsel with a request for confidential treatment.

During our meeting, you also asked that we provide you with additional information regarding the number of warranty claims that had reached "Stage V" where the serpentine belt no longer provides power to the attached accessories. As the company indicated in its March 29 submission, in the time permitted for preparation of our initial response, any warranty claim alleging belt failure or vehicle tow was included in the initial count of Stage V failures. Although over-inclusive, this preliminary analysis found less than [1% (0.928%)] of the subject vehicles having exhibited this condition. When the Agency requested a more accurate analysis of Stage V failures, we went back and identified claims where a tow-in was not associated with a complete failure.

As we discussed in our meeting, in many cases, vehicles with earlier, Stage II-IV harmonic balancer failures were towed into dealers due to owners' concern about the metal-on-metal grinding noise generated by these early-stage failures. In other cases, dealers may have encouraged the owner to have the vehicle towed because of the dealer's initial uncertainty about what was causing the noise that the customer complained of. These additional warranty claims for non-Stage V tow-ins do not represent total failures. Accordingly, based on this more detailed review of warranty records, approximately [0.5%] of the subject vehicle population has suffered a Stage V failure.

Please don't hesitate to contact me if you have any further questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patrick M. Raher" with a stylized flourish at the end.

Patrick M. Raher

Attachments