October 19, 2004

PE03-059

Kathleen C. DeMeter, Director Office of Defects Investigs&n NHTSA Enforcement Room #5325 400 Seventh Street, S.W. Washington, D.C. 20590 GM-650 CSC15419

Dear Ms. DeMeter:

General Motors (GM) appreciates having had the opportunity to discuss with officials from the National Highway Traffic Safety Administration (NHTSA) issues related to the agency's Investigation of engine stalling in certain Saab vehicles and our respective views on stalling conditions more generally.

We shared with NHTSA the guiding principles that GM uses and the factors it considers in analyzing stalling conditions, and we understand better NHTSA's current analytical approach to stalling issues. Among other things, NHTSA and GM agree that stalling is not a per se safety-related defect, and that the specific facts and circumstances need to be analyzed in considering whether a particular problem constitutes such a defect.

GM applied these principles and factors in February 2004 when it made a good faith determination to perform a Customer Satisfaction Campaign (CSC) — rather than a safety receil — to address stalling in model year 2003 Saab 9-3 vehicles.

Following are the Seeb CSC 15419 completion rates as of today (October 19, 2004):

- 175HP: 6,049 out of 7,303 for a completion rate of 82.8%
- 210HP: 4,158 out of 4,946 for a completion rate of 64.1%
- Total CSC 15419: 10,207 out of 12,249 for a completion rate of 83.3%

Following discussions with the agency, we recently applied these principles in making a safety defect determination with respect to certain midsize sport utility vehicles, which are currently being recalled. We enticipate that, in the future. GM will apply these principles in a manner consistent with that determination and with NHTSA's current approach.

Our discussions have confirmed that the exchange of information and views between GM and NHTSA promotes the speedy and proper resolution of issues, and we are committed to maintaining timely continuouslations on future product investigations.

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