

HYUNDAI AMERICA TECHNICAL CENTER, INC.

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January 8, 2004

VIA FEDERAL EXPRESS

Mr. Thomas Z. Cooper
Vehicle Integrity Division
Office of Defects Investigation
National Highway Traffic Safety Administration
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

Re: 1999-2002 Kia Sephia/Sportage Seatbelt Buckle Investigation
NVS-212hs
RQ03-007

Dear Mr. Cooper:

This letter provides preliminary information developed by Kia Motors America, Inc, and Kia Motors Corp. ("Kia") in response to your letter notifying Kia that the Office of Defects Investigation ("ODI") has opened an Recall Query (RQ03-007) to investigate the adequacy of the scope of a prior safety recall of 1995 - 1998 Kia Sephia and Sportage vehicles due to a "false latch" condition in the front seatbelt buckles. NHTSA's identifier for the previous recall is Campaign No. 02V-216. Specifically, this letter responds to Questions 1 through 8 set forth in your letter. By prior agreement, Questions 9 through 12 will be responded to at a later date.

- 1) State, by model and model year, the numbers of subject vehicles manufactured by Kia for sale or lease in the United States.

Your letter giving notice of this Recall Query identifies the subject vehicle population to be the Kia Sephia, model years 1999-2001, and Kia Sportage, model years 1999-2002. The U.S. production figures for these vehicles are as follows:

1999 Sportage: 38,229
2000 Sportage: 66,451
2001 Sportage: 57,917

Mr. Thomas Z. Cooper

January 8, 2004

Page 2

2002 Sportage: 46,887

1999 Sephia: 57,097

2000 Sephia: 89,817

2001 Sephia: 53,229

Although your request relates only to the Sephia and Sportage, Kia is including data and information on the 2000-2001 Kia Spectra model. The Spectra is a 5-door (hatchback) version of the 4-door Sephia, but with a sportier look, that Kia commenced selling from the 2000 model year. Kia is including information on the 2000 and 2001 Spectra in this response because these vehicles are equipped with front seat belt buckle assemblies that are identical to those used in the Sephia during the equivalent model years. The U.S. production figures for these vehicles are as follows:

2000 Spectra: 11,042

2001 Spectra: 21,234

2) State the number of each of the following, received by Kia, or of which Kia is otherwise aware, which relate to, or may relate to, the alleged defect in the subject vehicles:

a) Consumer complaints, including those from fleet operators:

The Kia Consumer Affairs database was searched for consumer communications describing an unintended release of the front seatbelts due to a false latch condition. This search disclosed seatbelt related communications that varied significantly in their detail and responsiveness to the subject of this investigation. Those deemed most responsive, assuming accuracy of the described concern, were communications that indicated both an unintended buckle release and a false latch condition. In contrast, a number of communications reported a buckle malfunction but did not specifically mention or describe a "false latch" condition. For example, complaints such as "front seatbelt not locking" indicates a possible buckle malfunction but does not provide any information, one way or the other, whether a false latch condition exists that could cause the user to believe, incorrectly, that his or her seatbelt was safely secured. The same is true for communications such as "driver's side seatbelt fastener does not work," "latch is not locking," and the like, since these communications describe conditions that may or may not involve a false latch condition. Nevertheless, Kia has included such communications in this response. Also, Kia is reporting communications where the customer indicated a seatbelt malfunction of some unknown type, even though the information available is not sufficient to identify the nature of the problem. For example, complaints such as "seatbelt is inoperative" or "seatbelts are not working" could relate to buckle issues, or to some other component of the seatbelt assembly such as the retractor. Such complaints do

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not provide information sufficient to confirm, one way or the other, whether the customer was reporting an unintended buckle release and/or false latch issue. Nevertheless, these communications are included in this response.

It should be noted that Kia thus far has not been able to verify any of the conditions described in these communications. In the several instances where Kia and/or one of its dealers had the opportunity to conduct post-report inspections, it appears that the seatbelt functioned normally and as designed, or that a post-manufacture condition such debris or a foreign substance in the buckle had caused the malfunction.

The tables below summarize the number and type of consumer complaints identified by Kia as relating to, or maybe relating to, the alleged defect in the subject vehicles, and in the 2000 and 2001 Spectra:

	na	na	na	Na
Sephia	na	na	na	Na
Spectra	0	0	0	0
Sportage	0	0	0	0

Sephia	2	1	0	3
Spectra	0	0	0	0
Sportage	0	0	1	1

Sephia	4	5	8	17
Spectra	0	0	0	0
Sportage	1	0	6	7

Mr. Thomas Z. Cooper

January 8, 2004

Page 4

Sephia	11	3	25	39
Spectra	0	0	0	0
Sportage	6	5	4	15

A hard copy of the Kia Consumer Affairs database information maintained for each communication summarized above is separately provided as Appendix 1 to this response, organized by model. Kia's summary table of all known incidents pertaining to, or which may pertain to, the described defect in subject vehicles is provided in Excel format as Appendix 2 to this response.

b) **Field reports:**

Kia has not yet completed its investigation pertaining to field reports arising out of these or similar incidents, and will supplement this response when this information is ascertained.


c) **Reports involving a crash, injury, or fatality, based on claims against the manufacturer involving a death or injury, notices received by the manufacturer alleging or proving that a death or injury was caused by a possible defect in a subject vehicle, property damage claims, consumer complaints, or field reports:**

Review of Kia's Consumer Affairs database identified nine alleged but unconfirmed false latch incidents involving the 1999 through 2001 Sephia that relate to, or may relate to, the subject defect where injuries were reported. Nine additional incidents were identified where it could not be determined if a customer was alleging an unintended buckle release or false latching. None of these incidents involved fatalities.


Review of Kia's Consumer Affairs database also identified three alleged but unconfirmed false latch incidents involving the 1999 through 2002 Sportage that relate to, or may relate to, the subject defect where injuries were reported. Six additional incidents were identified where it could not be determined if a customer was alleging an unintended buckle release or false latching. None of these incidents involved fatalities.

Kia has not identified any reported incidents that related to, or may relate to, the alleged defect in the 2000 and 2001 Spectra.

The tables below summarize Kia's response to this question. Additional detail regarding each of the incidents identified is provided in Appendix 2 to this response.



Injury Incidents	9	na	0	0
Fatal Incidents	0	0	0	0



Injury Incidents	3	na	0	0
Fatal Incidents	0	0	0	0

d) Property damage claims:

To date Kia has not identified any property damage claims that arose from incidents which gave rise to allegations of an unintended release of the front seatbelts due to a false latch condition.

e) Third-party arbitration proceedings where Kia is or was a party to the arbitration:

Kia has identified one arbitration decision that included a complaint by the customer or owner that may have been related to unlatching. One additional arbitration was identified where it could not be determined if a customer was alleging an unintended buckle release or false latching. Information concerning these proceedings is provided in the Kia Consumer Affairs communications provided as Appendix 1 to this response, and the summary table of reported complaints/incidents provided as Appendix 2.

f) Lawsuits, both pending and closed, in which Kia is or was a defendant or codefendant:

Kia has not identified any lawsuits involving the subject vehicles, or the 2000 & 2001 Spectra, which include allegations of an unintended buckle release and/or false latch condition.

3) For each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 2, state the following information:

- a) Kia's file number or other identified used:
- b) The category of the item, as identified in Request No. 2 (i.e., consumer complaint, field report, etc.):
- c) Vehicle owner or fleet name (and fleet contact person), address, and telephone number:
- d) Vehicle's VIN:
- e) Vehicle's make, model and model year:
- f) Vehicle's mileage at time of incident:
- g) Incident date:
- h) Report or claim date:
- i) Whether a crash is alleged:
- j) Whether property damage is alleged:
- k) Number of alleged injuries, if any:
- l) Number of alleged fatalities, if any:

A hard copy of the Kia Consumer Affairs database information maintained for each communication summarized above is separately provided as Appendix 1 to this response, organized by model.

- 4) Produce copies of all documents related to each item within the scope of Request No. 2. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) and describe the method Kia used for organizing the documents.**

A hard copy of the Kia Consumer Affairs database information maintained for each communication summarized above is separately provided as Appendix 1 to this response, organized by model. As indicated above, Kia has not yet completed its investigation pertaining to field reports arising out of these or similar incidents, and will supplement this response when this information is ascertained.

- 5) State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by Kia to date that relate to, or may relate to, the alleged defect in the subject vehicles: warranty claims; extended warranty claims; claims for good will services that were provided; field, zone, or similar adjustments and reimbursements; and warranty claims or repairs made in accordance with a procedure specified in a technical service bulletin or customer satisfaction campaign.**

A summary table of all warranty claims that relate to, or may relate to, the subject defect is provided in Excel format as Appendix 3 to this response.

Separately, for each such claim, state the following information:

- a. Kia's claim number;
- b. Vehicle owner or fleet name (and fleet contact person) and telephone number;
- c. VIN;
- d. Repair date;
- e. Vehicle mileage at time of repair;
- f. Repairing dealer's or facility's name, telephone number, city and state or ZIP code;
- g. Labor operation number;
- h. Problem code;
- i. Replacement part number(s) and description(s);
- j. Concern stated by customer; and,
- k. Comment, if any, by dealer/technician relating to claim and/or repair.

A summary table of with detailed information pertaining to warranty claims that relate to, or may relate to, the subject defect is provided in Excel format as Appendix 4 to this response.

- 6) Describe in detail the search criteria used by Kia to identify the claims identified in response to Request No. 5, including the labor operations, problem codes, part numbers and any other pertinent parameters used. Provide a list of all labor operations, labor operation descriptions, problem codes, and problem code descriptions applicable to the alleged defect in the subject vehicles. State, by make and model year, the terms of the**

Mr. Thomas Z. Cooper

January 8, 2004

Page 8

new vehicle warranty coverage offered by Kia on the subject vehicles (i.e., the number of months and mileage for which coverage is provided and the vehicle systems that are covered). Describe any extended warranty coverage option(s) related to the alleged defect that Kia offered for the subject vehicles and state by option, model, and model year, the number of vehicles that are covered under such extended warranty.

The criteria included vehicle model, model year, and claims paid since start of production through November 30, 2003. The claim must contain a seat belt causal part number and would include all claims with or without a replacement quantity. The query included all dealers (port and retailers), nature codes, all cause codes and no mileage limitations. The search parameters also included all labor operations and all claim types.

- 7) **Produce copies of all service, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject vehicles, that Kia has issued to any dealers, regional or zone offices, field offices, fleet purchasers, or other entities. This includes, but is not limited to, bulletins, advisories, informational documents, training documents, or other documents or communications, with the exception of standard shop manuals. Also include the latest draft copy of any communication in the above categories that Kia is planning to issue within the next 120 days.**

Kia is not aware of any documents that would be responsive to this request.

- 8) **State the engineering and corresponding service part number(s) of the subject front safety belt and buckle assemblies installed in each MY and model of the subject vehicles. Also state separately, the engineering and corresponding service part number(s) of the front safety belt and buckle assemblies installed in each MY and model of the MY 1995-1998 Kia Sephia and Sportage vehicles recalled in Kia's safety defect campaign of August 15, 2002. Identify by name and address, suppliers of all original equipment front safety belt/buckle assemblies for each of the engineering and service part numbers stated above.**

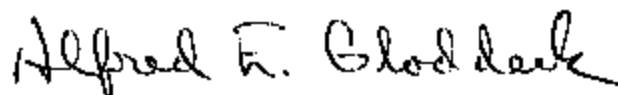
A summary table identifying the service part numbers of the subject front seatbelt and buckle assemblies installed in the subject vehicles is provided in Excel format as Appendix 3 to this response.

Seatbelt buckle assemblies for the 1999-2000 Sephia, 2000 Spectra, and 1999-2002 Sportage were manufactured by Duck Boo International Co., Ltd., Attn: In Pyo Hong, 407-9 Mognae-Dong, Ansan-Shi, Gyunggi-Do, Korea; Tel: 82-31-494-2181; Fax: 82-31-494-0728. Seatbelt buckle assemblies for the 2001 Sephia and 2001 Spectra were manufactured by Autoliv Australia, Inc., Attn: Bob Franklin, 1521 Hume Highway, Campbellfield, Victoria, Australia; Tel: 61-3-9359-9822.

Mr. Thomas Z. Cooper
January 8, 2004
Page 9 of 9

Kia is continuing to assemble information in response to your investigation and will submit further information as it becomes available.

Very truly yours,

A handwritten signature in cursive script that reads "Alfred E. Gloddeck".

Alfred E. Gloddeck
Senior Manager - Corporate Affairs

Enclosures