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February 23, 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

RECEIVED
NVS-215
2004 FEB 25 P 12:24
OFFICE OF
DEFECTS INVESTIGATION

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

Dear Mr. Cooper:

This letter provides further 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 a 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. Specifically, this letter responds to Question 12 set forth in your letter.

12. Provide Kia's assessment of the alleged defect in the subject vehicle, including:

- a. The causal or contributory factor(s);
- b. The failure mechanism(s);
- c. The failure mode(s);
- d. The risk to motor vehicles safety that it poses;
- e. What warnings, if any, the operator and the other persons both inside and outside the vehicle would have that the alleged defect was occurring or subject component was malfunctioning; and,
- f. The consumer reports provided to Kia in connection with this investigation.

Examination of warranty claims data fails to show a defect trend involving false latch or unintended release of the front seatbelt buckles which extends to Kia Sportage, Sephia or Spectra

Mr. Thomas Z. Cooper
February 23, 2004
Page 2 of 5

models produced after the 1997 model year. In support, Kia attaches Appendix 1, which is an analysis of warranty claims for the 1995 – 2002 Sportage, 1995 – 2001 Sephia, and 2000 – 2001 Spectra provided to ODI on January 8, 2004.

The attached analysis examined claims where front left buckle assemblies were identified as the causal part. The analysis focused on the front left assembly because seatbelts for the driver, as opposed to the passenger side, receive the most use and therefore are more likely to fail over time, assuming a defect is present.

The claims data includes 1401 claims for the Sportage involving replacement of the front left buckle assembly, and 496 such claims for the Sephia and Spectra combined. The analysis excluded claims that did not involve replacement of the assembly since the absence of a replacement part indicates that while the assembly may have been in some manner inspected, serviced or adjusted, the actual seatbelt assembly was functioning normally at the time of the repair. A claims rate analysis was then performed by model and model year that included all claims, regardless of the nature code identified by the dealer at the time of claim submission.¹ This initial analysis was over inclusive because it included all warranty repairs related to the front left assembly without regard to the condition leading to the repair. It included, for examples, repairs involving issues such as internal contamination of the buckle, failure of the buckle to release, the buckle wiring harness, cosmetic issues (stains, cuts, etc.) and other conditions not involving unintended release of the latchplate from the buckle. However it was helpful in differentiating the claims trends between the various buckle types covered by this investigation, and also between the different models and model years involved.

Kia next did a warranty claims analysis restricted to claims coded as "N51" (improper opening and closing) or "96" (does not close; does not lock). The N51 code is the code currently in use, and the 96 code is its equivalent in the condition code system used by Kia until the end of February 2002. These two nature codes are the ones most likely to be used by dealers or service technicians when describing a problem involving an unlatching concern involving a seatbelt buckle.

¹ Kia's warranty claims procedures require that dealers identify a "nature" code indicating the nature of the defect underlying the repair. Kia uses the term "nature" code synonymously with "condition" code. As discussed elsewhere in this letter, the nature codes most likely to be used by dealers in describing a problem involving an unlatching concern involving a seatbelt buckle is "N51" (improper opening and closing). Kia also included claims codes as "96" (does not close; does not lock), which was the equivalent code used before Kia's current condition code system was adopted on March 1, 2002.

Mr. Thomas Z. Cooper
February 23, 2004
Page 3 of 5

Finally, Kia also analyzed the claims rate for warranty claims coded as "N94" (inoperative). It is possible that some dealers may have occasionally used this more general code in describing repairs involving unintended buckle release. However, it is unlikely that this was or is a frequent occurrence. As previously reported in its February 9th letter to ODI, KMC recently examined 47 seatbelt buckles received from its dealers in response to a mandatory return requirement on all seatbelts from subject vehicles replaced under warranty claims coded as N94, and none of these buckles exhibited a false latch condition. Therefore, it is likely that only a minority warranty claims coded as N94 were intended to describe conditions involving unintended buckle release.

The warranty claims analysis shows that the modifications to the Duck Boo A97 type buckle described in Kia's February 9th letter to ODI effectively remedied the defect condition that led to the 02V-216 campaign. These modifications were adopted as mid-year changes during 1997 model year production of the Kia Sportage and Sephia. Examination of the claims data shows, as one would expect, relatively high claims rates for the 1995 and 1996 model year vehicles that were equipped with the pre-modification A97 buckle that led to the recall. Then, beginning with the 1997 model year, the claims rate for both the Sephia and Sportage sharply declines, reflecting the buckle improvements incorporated during that production year. A further decline in claims is observable in claims for the 1998 model year, again in both the Sephia and Sportage, which was the first model year equipped 100 percent with the modified A97 buckle type. This trend in declining claims continued through the 1999 and 2000 model years, at which point the A97 buckle was phased out of both model lines.

As indicated in the information previously provided to ODI, the A97 type buckle was modified during the 1997 production year to remedy potential false latch concerns. The principal change, incorporated in August 1996, was to the shape of buckle base emboss, which because of its original curved shape could interfere with the emboss guide of the interior lock plate and prevent a secure latch of the buckle. The later modifications in December 1997 and January 1997 were incorporated to provide further assurance that the latchplate would fully engage the pawl of the lock as it was inserted into the buckle. As indicated above, analysis of the warranty claims data supports Kia's belief that these modifications were effective.

Based on the foregoing Kia does not believe that false latch or unintended buckle release is occurring due to a defect in any vehicles equipped with the modified A97 buckle, nor in vehicles equipped with the DB6 or Autoliv type buckles. Misuse or contamination of the internal components of these buckles can create the potential for latching related concerns. Additionally, inaccurate reporting may also account for a certain percentage of complaints. These factors in combination result in a certain level of consumer reports related to buckle function or unlatching, as evidenced by the fact that Kia has received such reports across all buckle types, models and model years.

Mr. Thomas Z. Cooper
February 23, 2004
Page 4 of 5

Even within the population of vehicle equipped with A97 type buckles manufactured before its modification, the incidence of false latch or unintended release claims involved a small portion of the affected vehicles in the field. As of February 13, 2004, the response rate to recall campaign 02V-216 was 14 percent. If large numbers of vehicles in the field were experiencing unintended buckle release, the response rate would be significantly higher. The fact that it is so low indicates that even within the population of A97 buckles produced before the modifications were incorporated, only a relatively small percentage are affected by the recall condition. For A97 buckles produced after incorporation of the modifications, the percentage of affected buckles, if any, is smaller still.

Additionally, examination of Kia's Consumer Affairs database for potential reports of an unintended buckle release does not indicate the existence of a defect trend in Sportage, Sephia or Spectra models produced during the 1999 - 2002 model years. Information regarding such reports was previously provided to ODI. In most instances the information contained in these reports indicated that the consumer was reporting concerns probably unrelated to unlatching or to a buckle release. Where Kia has been able to inspect post-1998 vehicles allegedly involved in a unintended release incident, it has not been able to duplicate any malfunction of the seatbelt buckle. In support, Kia is providing ODI with copies of all preliminary inspection reports that have been located relating to customer reports and this investigation in Appendix 2.

Kia has also evaluated the vehicle owner questionnaires received from ODI in connection with this investigation. Kia's evaluation of each VOQ is attached as Appendix 3. In four out of the nine VOQ's no VIN or customer information was provided, and consequently Kia was unable to develop any additional information regarding these vehicles or the concerns stated in the VOQ's. In the case of VOQ 785013, Kia was able to confirm that the left front seatbelt buckle assembly was replaced, but was unable to obtain the repair order to determine the nature of the condition that lead to replacement.

In two instances (VOQ's 876742 and 10008205) Kia was able to obtain relevant repair orders. In the former instance the repair order disclosed that the customer's concern related to a failure of the latchplate to release from the buckle and not an unintended release concern. In the other instance the repair order indicated a latch malfunction but there was no indication that the repair condition involved a false latch or unintended release concern.

With regard to VOQ 876215, Kia was able to do a post-incident inspection of the vehicle on December 20, 2002, but could not duplicate the concern reported by the customer. Finally, in the case of VOQ 1003567, review of Kia's consumer affairs and warranty information disclosed that the customer never contacted Kia regarding the reported condition.

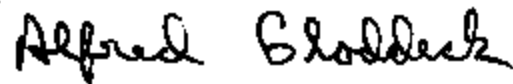
For all the foregoing reasons Kia submits that the objective evidence discloses no defect trend that is appropriate for recall other than in the 1995 - 1998 Kia Sephia and Sportage models

Mr. Thomas Z. Cooper
February 23, 2004
Page 5 of 5

which are already the subject of campaign no. 02V-216. Therefore, Kia asks ODI to give early consideration to closing this recall query without further action.

Should you require further information or explanation of Kia's analysis, please advise.

Sincerely yours,



Alfred Gloddeck
Sr. Manager - Corporate Affairs