

HYUNDAI AMERICA TECHNICAL CENTER, INC.

A Subsidiary of
Hyundai Motor Company (Korea)

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February 28, 2005

VIA FEDERAL EXPRESS

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

01
2005
FEB 29
P 12:11

Re: Preliminary Evaluation (PE04-081)
Comparative Assessment: MY 2001-2003 Kia Vehicles: Side-Impact
Airbag/Curtains

Dear Mr. Cooper:

This letter is submitted in response to your letter which was faxed to me on January 19, 2005 at Hyundai America Technical Center, Inc. ("HATCI") (Reference NVS-212-peo/PE04-081). That letter requested information concerning 2001-2003 model year Kia vehicles equipped with side airbags in order to conduct a comparative assessment in connection with an investigation of alleged deployment of side-impact airbag/curtains in certain model year 2001-2003 VW Jetta, Golf and GTI vehicles.

Although HATCI is an organization independent of both Kia Motors Corp. ("KMC") and Kia Motors America, Inc. ("KMA"), it has been designated by those organizations to act as their communication liaison with the National Highway Traffic Safety Administration ("NHTSA"). This response is submitted to NHTSA by HATCI in that limited role. Please also note that neither KMA nor KMC is connected in any way with "Hyundai America, Inc." or Hyundai Motor America, Inc. KMA is in fact a competitor of Hyundai Motor America, Inc. and the two companies do not share the information requested in your letter. However, in light of my liaison role for KMA and the general nature of your request, I shared your letter with KMA and requested as a courtesy to you that they also respond to the letter.

REQUEST NO. 1:

State, by model and model year, the number of subject peer vehicles [Kia] has manufactured for sale or lease in the United States. If there are multiple side air-bag system designs or versions

for a given subject peer vehicle, please identify under section "c." Separately, for each model subject vehicle manufactured to date by [Kia], state the following:

- a. Vehicle identification number (VIN);
- b. Make;
- c. Model;
- d. Model Year;
- e. Airbag system model version (if more than one);
- f. Date of manufacture;
- g. Date warranty coverage commenced; and
- h. The State in the United States where the vehicle was originally sold or leased (or delivered for sale or lease).

Provide the table in Microsoft Access 2000, or a compatible format, entitled PRODUCTION DATA."

RESPONSE TO REQUEST NO. 1:

Below is a table identifying the total number of 2001, 2002 and 2003 MY Optima vehicles sold in the United States.

Model Year	Vehicles Produced
2001	24,754 ¹
2002	27,593
2003	23,340

A listing of all 2001-2003 Kia Optima vehicles is provided on a Data Collection Disc under the category "PRODUCTION DATA" and is submitted contemporaneously with this response.

REQUEST NO. 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 subject condition in the subject peer vehicles:

- a. Consumer complaints, including those from fleet operations;
- b. Field reports, including dealer field reports;
- c. Requests 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;
- d. Property damage claims (including own vehicle); and

¹ Of these 24,754 vehicles, approximately 16,231 produced between October 7, 2000 and March 20, 2001 were the subject of a recall (01V-15600) concerning the inadvertent deployment and non-deployment of the side airbags in such vehicles.

- e. Third-party arbitration proceedings where [Kia] is or was a party to the arbitration; and
- f. Lawsuits, both pending and closed, in which [Kia] is or was a defendant or co-defendant.

For subparts "a" through "d," state the total number of each item (e.g., consumer complaints, field reports, etc.) separately. Multiple incidents involving the same vehicle are to be counted separately. Multiple reports of the same incident are also to be counted separately (i.e., consumer complaint and a field report involving the same incident in which a crash occurred are to be counted as a crash report, a field report, and a consumer complaint). Identify reports that have a duplicate with either other mfg reports/claims or with ODL.

In addition, for items "b" through "f," provide a summary description of the alleged problem and causal and contributing factors and [Kia]'s assessment of the problem, with a summary of the significant underlying facts and evidence along with any photographs and airbag control module diagnostic result/readout/printout (along with explanation/description). For items "f" and "g," identify the parties to the action, as well as the caption, court, docket number, and date on which the complaint or other document initiating the action was filed.

RESPONSE TO REQUEST NO. 2:

- a. Consumer Complaints—3
- b. Field Reports/Technical Assistance Reports—3
- c. Reports involving crash, injury or fatality alleging death or injury caused by a possible defect—4 (injury)
- d. Property Damage Claims—1
- e. Third Party Arbitrations—0
- f. Lawsuits—1

The summary descriptions requested in your letter are attached. See Tab 1.

REQUEST NO. 3:

State, by model and model year, the number and 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 subject condition in the subject peer 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.

Provide this information in Microsoft Excel table, or a compatible format, entitled "WARRANTY DATA COUNT."

RESPONSE TO REQUEST NO. 3:

A listing of the responsive warranty claims is provided on a Data Collection Disc under the category "WARRANTY DATA COUNT".

REQUEST NO. 4:

Describe in detail the search criteria used by [Kia] to identify the claims identified in response to Request No. 3, 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 subject condition in the subject peer vehicles. State, by make and model years, the terms of the new vehicle warranty coverage offered by [Kia] on the subject peer vehicle (i.e., the number of months and mileage for which coverage is provided and this vehicle system that are covered) and if it covers inadvertent side-airbag deployments (without actual side crash, but sensors did sense a shock pulse). Describe any extended warranty coverage option(s) that [Kia] offered for the subject peer vehicles and state by option, model and model year, the number of vehicles that are covered under each such extended warranty and if it covers inadvertent side-airbag deployments.

RESPONSE TO REQUEST NO. 4:

The warranty claim data was obtained by searching for all claim data pertaining to seat back as well as seat assembly replacements for the front driver side and front passenger side since side airbag deployment necessitates replacement of the seatback or seat assembly. Any seatback or seat assembly replacements that were unrelated to an airbag deployment (e.g., broken seat tracks, lumbar support problems, damaged material, etc.) were excluded.

KMA's coding sheets for warranty claims are submitted with this response. See Tab 2.

The 2001-2003 Kia Optima has a 5 year/60,000 mile basic warranty which would cover claims related to airbags. No extended or additional warranties were provided by KMA to customers.

REQUEST NO. 5:

Provide a table showing the following information concerning the side-impact airbag systems in the subject peer vehicles by model and model year:

- a. type of side airbag system (thorax, head, curtain or combination thereof);
- b. location of each seating position at which a side airbag system is installed;
- c. the number of side airbags at each of those seating positions; and
- d. bag location (seat mounted, door mounted, etc.)

RESPONSE TO REQUEST NO. 5:

5	2001-2003MY Optima	
a.	Type of Side Airbag System	Head & Thorax
b.	Location of Each Seating Position at Which a Side Airbag System is Installed	Front seats for the driver and passenger
c.	Number of Side Airbags at Each Seating Position	1 at each position
d.	Bag Location	Seat mounted

REQUEST NO. 6:

For each model, model year of the subject peer vehicles, identify the supplier of the side-impact crash sensing system, and electronic restraint module. Please provide a complete street address, contact name, and telephone number for each supplier identified.

RESPONSE TO REQUEST NO. 6:

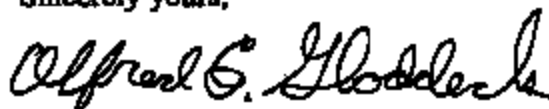
Model years 2001-2003 have the same parts and thus the same suppliers. The supplier of the sensor is Hyundai Autonet Co., Ltd., and the point of contact is Mr. Man-Young Yang. Mr. Yang can be reached at San 136-1, Ami-Ri, Bubal-Eub, Ichon-Si Kyoungki-Do, Korea, 467-860, 82-31-639-7848.

The supplier of the module is Key Safety Systems, Inc., and the point of contact is Mr. Garry Hayes (Director of Engineering). Mr. Hayes can be reached at 7000 Nineteen Mile Road Sterling Heights., MI, 48314, U.S.A., 1-586-726-3889.

The supplier of the wiring is Sewon Ecs and the point of contact is Mr. Uk-Hun Son. Mr. Son can be reached at Pyungtaek Plant, #88-1. Habuk-Ri. Jinwi-Myun. Pyungtaek-City. Kyongki-Do, Korea. 451-864, 82-31-669-8900.

Please let me know if you have any questions.

Sincerely yours,



Alfred Gloddeck
Senior Manager—Corporate Affairs

SUMMARY OF CONSUMER COMPLAINTS AND FIELD REPORTS

Kia File #	Item Category	VIN	Model, Make Year	Incident Date	Report or Claim Date	Crash?	Injuries, if any	Fatalities, if any	Property Damage?	Kia's Assessment
K383182	Complaint	KNAGD126018	2001 Optima	10/23/2004	10/26/2004	NO	YES	NO	YES	On 10/14/04, the primary driver of the vehicle took it to the dealer for an airbag light on complaint. On 10/23/04, the airbag light came back on. On 10/24/04, the driver's side airbag deployed when a friend of the primary driver of the vehicle was leaving a gas station. The friend suffered a contusion to the left shoulder and a spinal sprain. No further treatment noted. The frame where the seatbelt is cracked and the driver's side window was scuffed. Cause of the deployment was due to a pinched wire. The seatback assembly was replaced on 10/25/04. Property damage was to the plastic facing the B pillar. The technical assistance case center report stated the wiring under the driver's seat was improperly routed.
T383358	TAC Center Report	KNAGD126018	2001 Optima	10/23/2004	10/26/2004	N/A	N/A	N/A	N/A	Same as complaint # K383182
K343704	Complaint	KNAGD126815	2001 Optima	7/26/2004	7/27/2004	NO	YES	NO	NO	On July 26, 2004, the passenger side airbag deployed after customer's daughter turned on the vehicle. The following day, customer's daughter claimed her arm was hurting. A clip on the wire harness shorted out causing the airbag to deploy. The seatback assembly was replaced on 07/27/04.

SUMMARY OF LAWSUITS IN RESPONSE TO REQUEST NO. 2

Parties to Action	VIN	Make, Model, Year	Caption	Court	Docket #	Date of Complaint	Kia's Assessment
<p>Anna Fletcher and Jack Fletcher, Kia Motors America, Inc.</p>	<p>KNAGD128525</p>	<p>2002 Optima</p>	<p>Fletcher v. Kia Motors America, Inc., et al.</p>	<p>Small Claims Court in Franklin County, Tennessee</p>	<p>17443-GS</p>	<p>5-Nov-04</p>	<p>On July 26, 2004, the front passenger side airbag deployed when [REDACTED] was putting on her seat belt in her 2002 Kia Optima. [REDACTED] suffered a bruise and abrasion on her right shoulder and complained of back pain. X-rays of her thoracic spine, lower spine and humerus were negative. The cause of deployment was a short of the wiring harness under the seat. Three weeks prior to deployment, [REDACTED] brought the vehicle to the dealer for "an airbag concern". The dealer advised her they would have to replace the wiring harness, but the work was not completed at that time.</p>

Warranty Claim Procedure

CAUSE CODES

Cause Codes

C01	Burnt, Melted	C24	Improper Clearance
C02	Frozen (Icing)		Back Lash, Free Play
C03	Cracked, Scarred, (E.G. Cut Bruised	C26	Lack of Lubricant
C04	Peeling, Come-Off	C28	Improper Welding
C05	Rusty, Corroded	C29	Poor Fit, Loose
C06	Broken, Spilt, Torn		Connection
C07	Cracked	C31	Sticking, Seized
C08	Porous, Pinholes	C32	Foreign Material
C09	Deformed (Bent, Twisted, Warped, Shrunk, Wrinkled)		Clogged
C10	Weakened, Loss of Tension or Resilience	C37	Color Mismatch
C11	Abnormal Wear	C38	Improper Sealing, Sealer Omitted/ Skipped
C12	Out of Balance	C40	Poor Adjustment
C15	Poor Contact	C48	Vacuum Leak
C19	Vapor Lock	C81	Incorrect Part
C20	Poor Installation	C82	Missing Part
C23	Improper Machining or Forming	C88	Water Entering
		C98	Normality
		C99	Other

Warranty Claim Procedure

CONDITION CODES

Condition Codes

N01	Hard or Impossible Starting	N31	Pulls
N02	Rough Idling	N32	Spongy Pedal
N03	Surge, Stumble, Hesitating	N33	Unstable Steering
N04	Engine Knocking	N34	Excessive Shock, Excessive Vibration
N05	Choke Malfunction	N35	Uneven Vehicle Height
N06	Engine Stalling	N37	Excessive Knocking
N07	Excessive Fuel Consumption (Except Fuel Leak)	N38	Unusual Tire Wear
N08	Excessive Oil Consumption (Except Oil Leak)	N50	Deterioration
N09	Overheating	N51	Improper Opening & Closing
N10	Engine run-on	N52	Dirty, Stain
N11	Fails To reach Normal Operating temperature	N53	Discoloration
N12	Overflowing	N54	Poor Chrome Plating, Poor Painting
N13	Poor Acceleration	N56	Rust, Corrosion, Perforation
N14	Abnormal Combustion	N61	Dead Battery
N15	Poor Engine Power	N63	Inaccurate (Meter, Clock, Gauge)
N16	Percolation, Vapor Lock	N64	Poor Sound (Horn, Radio)
N17	Improper Exhaust Gas	N66	Electrical Malfunction
N18	Back-Fire, After-Fire	N68	Blown Fuse
N20	Engine Check Lamp	N69	Warning Light On
N21	Shuddering, Chattering Vibration	N83	Poor Recovery
N22	Slipping	N86	Falling-Off, Sagged, Loosening
N23	Fails To Disengage	N87	Oil Leak
N24	Jumping-Out	N88	Water Leak, Entering
N25	Improper Synchronizing	N89	Other Leaking
N26	Abnormal Shift	N92	Grabs
N27	Impossible Shift	N93	Interface
N29	Squeaking, Squealing, Abnormal Noise	N94	Inoperative ✓
N30	Dragging	N95	High Effort
		N96	Poor Maneuverability
		N99	Other

881. FRONT SEAT

TRIM GROUP 800

No.	OP CODE WTY CYRD	OPERATION	SPR (-DMY-)	AMT (-DMY-)	OPT (-DMY-)	RIO (-DMY-)	SPA (-DMY-)	SPT (-DMY-)
1	88003R00 88003R00	Seat Assy(Front), R&R One Side	0.3	0.3	0.3	0.3	0.3	0.3
		Both Sides	0.4	0.4	0.4	0.4	0.4	0.4
	BASIC	N : 29, 53, 55, 94, 95 C : 04, 08, 10, 31, 37						
2	88020R00 88020R00	Seat Cushion Assy(Front), R&R One Side	0.5	0.4	0.4	0.5	0.5	0.5
		Both Sides	0.6	0.7	0.7	0.6	0.6	0.6
	BASIC	N : 29, 53, 55 C : 04, 06, 10, 37						
3	88008R00 88008R00	Seat Back Assy(Front), R&R One Side	0.8	0.8	0.8	0.8	0.4	0.4
		Both Sides	0.8	1.0	1.0	0.8	0.7	0.7
	BASIC	N : 29, 53, 55 C : 04, 06, 10, 37						
4	88111R00 88111R00	Cushion Trim (Front), R&R One Side	0.7	0.7	0.7	0.7	0.7	0.7
		Both Sides	1.2	1.2	1.2	1.2	1.2	1.2
	BASIC	N : 53, 55 C : 04, 06, 37						
5	88130R00 88130R00	Seat Reclining Knob(Front), R&R One Side	0.2	0.2	0.2	0.2	0.2	0.2
		Both Sides	0.3	0.3	0.3	0.3	0.3	0.3
	BASIC	N : 50 C : 05						
6	88131R00	Seat Back Trim(Front), R&R, All	0.7	0.8	0.8	0.8	1.0	1.0
	BASIC	N : 53, 55 C : 04, 06, 37						
7	88150R00	Seat Cushion Pad Assy(Front), R&R	0.7	0.7	0.7	0.7	0.7	0.7
	BASIC	N : 29 C : 10						

N29: ABNORMAL
NOISE(RATTLE,SQUEALING,
WHINE, CRASH, DRONE)
N53: COLOR MISMATCH
N95: FALLING OFF, SAGGED
N94: INOPERATIVE
N96: HIGH EFFORT

C04: PEELING, COME-OFF
C06: BROKEN, SPLIT, TORN
C10: WEAKENED
C31: STICKING, SEIZED
C37: DISCOLORATION, STAIN

SPR:SPECTRA(0-DMY-)	AMT:AMANT(0-DMY-)	OPT:OPTBA(01MY-)	RIO:RIO(01MY-)
SPR:SEPHA(-DMY), SPECTRA(-DMY)		SPT:SEPHA(-DMY), SPECTRA(-DMY)	