

HYUNDAI AMERICA TECHNICAL CENTER, INC.

RECEIVED
A Subsidiary of
Hyundai Motor Company (Korea)
NVS-212

Rec'd 8/29/05

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August 26, 2005

OFFICE OF DEFECTS
INVESTIGATION

VIA FEDERAL EXPRESS

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

Re: Preliminary Evaluation (PE05-035)
2003 Kia Sedona; Fire Originating Near Instrument Panel

Dear Mr. Cooper:

This letter is submitted in response to your letter of July 1, 2005 sent to Hyundai America Technical Center, Inc. ("HATCI") (Reference NVS-212mbs/PE05-035). That letter requested information pertaining to 2003 Kia Sedona vehicle fires originating in the area of the instrument panel near the steering column. This response provides substantial information which is available to Kia at this time, although Kia's analysis is not yet complete. 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.

REQUEST NO. 1

State, by model and model year, the number of subject vehicles Kia has manufactured for sale or lease in the United States. Separately, for each subject vehicle manufactured to date by Kia, state the following:

- a. Vehicle identification number (VIN);
- b. Make;
- c. Model;
- d. Model Year;
- e. Date of manufacture;
- f. Date warranty coverage commenced; and

- g. 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 2003 MY Sedona vehicles sold in the United States.

Model Year	Vehicles Produced
2003	51,515

A listing of all 2003 Kia Sedona vehicles is provided on a Data Collection Disc under the category "PRODUCTION DATA" and 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 alleged defect in the subject vehicles:

- a. Consumer complaints, including those from fleet operators;
- b. Field reports, including dealer field reports;
- c. Reports involving a fire, 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; and
- 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 codefendant

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., a 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).

In addition, for items "c" 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. For items "e" and "f," 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 communications— 17
- b. Field Reports/Technical Assistance Reports—1
- c. Reports involving crash, injury or fatality alleging death or injury was caused by a possible defect—0
- d. Property Damage Claims—17
- e. Third Party Arbitrations—0
- f. Lawsuits—1

The summary description requested for items c through f, and the party information requested for items e and f, is submitted with this response. See Tab 1.

REQUEST NO. 3

Separately, 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 identifier 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 fire is alleged;
- j. Whether property damage is alleged;
- k. Number of alleged injuries, if any;
- l. Number of alleged fatalities, if any; and,

Provide this information in Microsoft Access 2000, or a compatible format, entitled "REQUEST NUMBER TWO DATA."

RESPONSE TO REQUEST NO. 3

A listing of all responsive consumer communications is provided on a Data Collection Disc under the category "REQUEST NUMBER TWO DATA."

REQUEST NO. 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.

RESPONSE TO REQUEST NO. 4

Copies of the documents identified in response to request number 2 are submitted with this letter response. See Tab 2. They are organized by the following categories:

- Consumer Affairs Department files from KMA's department database, along with Warranty History Inquiry reports for each such file (17)
- Technical Assistance Center Case Reports (1); (This report correlates to the same VIN identified by CA file #K444472).
- Case File Documents: *21st Century Insurance Company v. Kia Motors America, Inc.*

REQUEST NO. 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.

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.

Provide this information in Microsoft Access 2000, or a compatible format, entitled "WARRANTY DATA."

RESPONSE TO REQUEST NO. 5

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

Codes Used. In your letter, you requested that Kia provide its "problem code" information. Kia refers to the "problem code" as a "cause code", which carries the letter "C" which reflects the technician's evaluation of the cause of the problem. You also requested that Kia provide information regarding "concerns stated by the customer." Kia's code chart refers to these as "condition codes," but they are commonly referred to as "nature codes," and carry the "N" designation which reflects the service writer or technician's understanding of the customer's complaint.

REQUEST NO. 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 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) that Kia offered for the subject vehicles, and state by option, model, and model year, the number of vehicles that are covered under each such extended warranty.

RESPONSE TO REQUEST NO. 6

The warranty claim data was obtained from KMA's warranty data base. The search was initially done by reference to a range of all potentially relevant parts including Block Assembly - Junction, Wiring Assembly-Instrument Panel, Harness Assembly-Dashboard, Switch Box Assembly-LH, Switch Box Assembly RH, Switch Harness-Seat power, and Switch Harness - Passenger (Seat Power). All labor codes relevant to these parts were then included in the search; i.e., no filtering based on labor codes was used. The results were then evaluated based on the "Notes" section of the warranty data, with searches being conducted on all variations of reports of fire and smoke.

The relevant pages of the Sedona Parts Catalog (Rev. Jul. 2003) are attached. See Tab 3. KMA's coding sheeting for warranty claims and labor code sheets are also submitted with this response. See Tabs 4 and 5.

The 2003 Kia Sedona has a 5 year, 60,000 mile basic limited warranty which covers these parts of the vehicle. No extended or additional warranties were offered by KMA to customers.

REQUEST NO. 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 that Kia is planning to issue within the next 120 days.

RESPONSE TO REQUEST NO. 7

None. For informational purposes, Kia Technician Times 2001, Volume 4, Issue 4 at page 9 contains a description of changes to the fusing of the "Sedona Passenger Compartment Fuse Box". See Tab 6.

REQUEST NO. 8

Describe all assessments, analyses, tests, test results, studies, surveys, simulations, investigations, inquiries and/or evaluations (collectively, "actions") that relate to or may relate to, the alleged defect in the subject vehicles that have been conducted, are being conducted, are planned, or are being planned by, or for, Kia. For each such action, provide the following information:

- a. Action title or identifier;
- b. The actual or planned start date;
- c. The actual or expected end date;
- d. Brief summary of the subject and objective of the action;
- e. Engineering group(s)/supplier(s) responsible for designing and for conducting the action; and
- f. A brief summary of the findings and/or conclusions resulting from the action.

For each action identified, provide copies of all documents related to the action, regardless of whether the documents are in interim, draft, or final form. Organize the documents chronologically by action.

RESPONSE TO REQUEST NO. 8

KMC identified an under dash driver's side fire in the U.S. market but was unable to locate any reports of similar fires in the Korean domestic market or elsewhere in the world. Based on further fire claims, KMC organized an investigation of such fires during January - February 2005. KMC and various vendor engineers assisted by KMA staff and consultants inspected and evaluated 2003 Sedona vehicles which had experienced fires. No final conclusion was reached. However, shorting in the electrical wiring under the front seats was noted. In addition, a fire location was identified in the junction box area of the circuit breaker diode related to the power seats in the EX model.¹ Subsequent testing of these components by KMC and vendors has not duplicated this situation. Rather, when confronted with a short, the circuit breaker diodes tested have properly cycled without creating heat sufficient to cause a fire. The issue is still under investigation.

Pursuant to the extension that you granted on August 24, 2005, Kia hopes to provide a complete response to this request on September 30, 2005.

REQUEST NO. 9

Describe all modifications or changes made by, or on behalf of, Kia from the start of production to date, which related to, or may relate to, the alleged defect in the subject vehicles. For each such modification or change, provide the following information:

- a. The date or approximate date on which the modification or change was incorporated into vehicle production;

¹ EX Sedona model is the only one with power seats.

- b. A detailed description of the modification or change;
- c. The reason(s) for the modification or change;
- d. The part numbers (service and engineering) of the original component;
- e. The part number (service and engineering) of the modified component;
- f. Whether the original unmodified component was withdrawn from production and/or sale, and if so, when;
- g. When the modified component was made available as a service component; and
- h. Whether the modified component can be interchanged with earlier production components.

Also, provide the above information for any modification or change that Kia is aware of which maybe incorporated into vehicle production within the next 120 days.

RESPONSE TO REQUEST NO. 9

As of June 20, 2003 production, KMC began installing a junction box made with a different shape and cover material to, *inter alia*, discourage attempts by dealer technicians to replace a non-removable circuit breaker diode related to the power seats in the Sedona EX model. As of November 3, 2003 production, the seat vendor changed the layout and wiring paths for the power seats for the Sedona EX model, and provided corrugated tubes around the wires under those seats.

REQUEST NO. 10

Furnish 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 vehicle 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 the subject component was malfunctioning; and
- f. The reports included with, this inquiry.

RESPONSE TO REQUEST NO. 10

KMC has reviewed the information noted in this response of several reports of fires in the area of the dashboard near the steering column. It has also inspected several vehicles which have experienced fires in order to try to determine causal and contributory factors, failure mechanism, and failure mode. It has investigated its records for the Korean domestic market and worldwide outside the U.S., and has been unable to identify any similar fires. It has evaluated the possibility of a short in the power seat wiring being a cause of such fires, but neither KMC nor its vendors have been able to replicate a fire. Based on such testing, the circuit breaker diodes appear to satisfactorily protect the system without causing overheating. At this time, the matter is still under investigation. A summary of the five VOQs provided with your letter, along with the additional five VOQs you forwarded to us this week, are attached; KMA is still evaluating those VOQ's as part of its investigation. See Tab 7.

Pursuant to the extension that you granted on August 24, 2005, a complete response to this request will be provided by September 30, 2005.

Sincerely yours,



Alfred Gloddeck
Sr. Manager—Corporate Affairs