

DEC - 7 2006

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Frank Slaveter, Senior Manager  
Nissan North America, Inc.  
P.O Box 685001  
Franklin, TN 37068-5009

NVS-213aan  
PE06-050

Dear Mr. Slaveter:

This letter is to inform you that the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) has opened a Preliminary Evaluation (PE06-050) to investigate allegations of wheel separation due to spoke fracture in model year (MY) 2006 Nissan 350Z vehicles manufactured by Nissan North America, Inc., and to request certain information.

This office has received two reports of wheel separation due to spoke fracture in MY 2006 Nissan 350Z vehicles. One of the complainants indicated that their wheel separation resulted in a traffic collision involving a law enforcement motorcycle patrolman operating on the opposite side of the freeway. The motorcycle was struck by the separated wheel causing a crash and serious injury. Preliminary information collected by ODI from owners and from Nissan indicates that the failed wheels were Nissan alloy wheels that were subjected to aftermarket re-chroming by two different dealers using two different re-chroming businesses. A copy of each of the reports is enclosed for your information.

Unless otherwise stated in the text, the following definitions apply to these information requests:

- **Subject vehicles:** all MY 2005 through 2007 Nissan 350Z manufactured for sale or lease in the United States.
- **Subject component:** all wheel assemblies manufactured for use on the subject vehicles.
- **Nissan:** Nissan North America, Inc. and all of its past and present officers and employees, whether assigned to its principal offices or any of its field or other locations, including all of its divisions, subsidiaries (whether or not incorporated) and affiliated enterprises and all of their headquarters, regional, zone and other offices and their employees, and all agents, contractors, consultants, attorneys and law firms and other persons engaged directly or indirectly (e.g., employee of a consultant) by or under the

control of Nissan (including all business units and persons previously referred to), who are or, in or after May 2003, were involved in any way with any of the following related to the alleged defect in the subject vehicles:

- a. Design, engineering, analysis, modification or production (e.g. quality control);
  - b. Testing, assessment or evaluation;
  - c. Consideration, or recognition of potential or actual defects, reporting, record-keeping and information management, (e.g., complaints, field reports, warranty information, part sales), analysis, claims, or lawsuits; or
  - d. Communication to, from or intended for zone representatives, fleets, dealers, or other field locations, including but not limited to people who have the capacity to obtain information from dealers.
- **Alleged defect:** One or more of the following: (1) wheel separation; or (2) fracture of one or more wheel spokes.
  - **Document:** "Document(s)" is used in the broadest sense of the word and shall mean all original written, printed, typed, recorded, or graphic matter whatsoever, however produced or reproduced, of every kind, nature, and description, and all non-identical copies of both sides thereof, including, but not limited to, papers, letters, memoranda, correspondence, communications, electronic mail (e-mail) messages (existing in hard copy and/or in electronic storage), faxes, mailgrams, telegrams, cables, telex messages, notes, annotations, working papers, drafts, minutes, records, audio and video recordings, data, databases, other information bases, summaries, charts, tables, graphics, other visual displays, photographs, statements, interviews, opinions, reports, newspaper articles, studies, analyses, evaluations, interpretations, contracts, agreements, jottings, agendas, bulletins, notices, announcements, instructions, blueprints, drawings, as-builts, changes, manuals, publications, work schedules, journals, statistical data, desk, portable and computer calendars, appointment books, diaries, travel reports, lists, tabulations, computer printouts, data processing program libraries, data processing inputs and outputs, microfilms, microfiches, statements for services, resolutions, financial statements, governmental records, business records, personnel records, work orders, pleadings, discovery in any form, affidavits, motions, responses to discovery, all transcripts, administrative filings and all mechanical, magnetic, photographic and electronic records or recordings of any kind, including any storage media associated with computers, including, but not limited to, information on hard drives, floppy disks, backup tapes, and zip drives, electronic communications, including but not limited to, the Internet and shall include any drafts or revisions pertaining to any of the foregoing, all other things similar to any of the foregoing, however denominated by Nissan, any other data compilations from which information can be obtained, translated if necessary, into a usable form and any other documents. For purposes of this request, any document which contains any note, comment, addition, deletion, insertion, annotation, or otherwise comprises a non-identical copy of another document shall be treated as a separate document subject to production. In all cases where original and any non-identical copies are not available, "document(s)" also means any identical copies of the original and all non-identical copies thereof. Any document, record, graph, chart, film or photograph originally produced in color must be provided in color. Furnish all documents whether verified by Nissan or

not. If a document is not in the English language, provide both the original document and an English translation of the document.

- **Other Terms:** To the extent that they are used in these information requests, the terms “claim,” “consumer complaint,” “dealer field report,” “field report,” “fire,” “fleet,” “good will,” “make,” “model,” “model year,” “notice,” “property damage,” “property damage claim,” “rollover,” “type,” “warranty,” “warranty adjustment,” and “warranty claim,” whether used in singular or in plural form, have the same meaning as found in 49 CFR 579.4.

In order for my staff to evaluate the alleged defect, certain information is required. Pursuant to 49 U.S.C. § 30166, please provide numbered responses to the following information requests. Insofar as Nissan has previously provided a document to ODI, Nissan may produce it again or identify the document, the document submission to ODI in which it was included and the precise location in that submission where the document is located. When documents are produced, the documents shall be produced in an identified, organized manner that corresponds with the organization of this information request letter (including all individual requests and subparts). When documents are produced and the documents would not, standing alone, be self-explanatory, the production of documents shall be supplemented and accompanied by explanation.

Please repeat the applicable request verbatim above each response. After Nissan’s response to each request, identify the source of the information and indicate the last date the information was gathered.

1. State, by model year and wheel, the number of subject vehicles Nissan has manufactured for sale or lease in the United States. Separately, for each subject vehicle manufactured to date by Nissan, state the following:
  - a. Vehicle identification number (VIN);
  - b. Part number of the original equipment wheel installed at time of manufacture;
  - c. Date of manufacture;
  - d. Date warranty coverage commenced; and
  - e. Dealer code.

Provide the table in Microsoft Access 2000, or a compatible format, entitled “PRODUCTION DATA.” See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

2. Provide a table of all Nissan dealers in the United States with the following information:
  - a. Dealer code;
  - b. Dealer name;
  - c. Dealer address;
  - d. Name and title of dealer point of contact; and
  - e. Dealer telephone number.

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

3. State the number of each of the following, received by Nissan, or of which Nissan 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 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;
  - e. Third-party arbitration proceedings where Nissan is or was a party to the arbitration; and
  - f. Lawsuits, both pending and closed, in which Nissan is or was a defendant or codefendant.

For subparts "a" through "e," 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 Nissan'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.

4. 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. Nissan'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 mileage at time of incident;
  - f. Part number of the wheel(s) which allegedly failed;
  - g. Whether the allegedly failed wheel(s) were the unmodified OE fitment or not;
  - h. Incident date;
  - i. Report or claim date;
  - j. Whether a crash is alleged;
  - k. Whether property damage is alleged;
  - l. Number of alleged injuries, if any; and
  - m. Number of alleged fatalities, if any.

Provide this information in Microsoft Access 2000, or a compatible format, entitled "REQUEST NUMBER TWO DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

5. 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 Nissan used for organizing the documents.
6. State, by model year and wheel, a total count for all of the following categories of claims, collectively, that have been paid by Nissan 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. Nissan'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." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

7. Describe in detail the search criteria used by Nissan to identify the claims identified in response to Request No. 6, 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 Nissan 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 Nissan 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.
8. Produce copies of all service, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject vehicles, that Nissan 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 Nissan is planning to issue within the next 120 days.

9. For each unique part number identified in response to Question 1.b, and for any other wheels Nissan sells for use on the subject vehicles, state the number of wheels that Nissan has sold by component name, part number (both service and engineering/production), finish type (alloy or chrome etc.), model of the vehicle in which it is used and month/year of sale (including the cut-off date for sales, if applicable).

For each component part number, provide the supplier's name, address, and appropriate point of contact (name, title, and telephone number). Also identify by make, model and model year, any other vehicles of which Nissan is aware that contain the identical component, whether installed in production or in service, and state the applicable dates of production or service usage.

10. State, by model year and original equipment wheel, the number of vehicles sold by the following dealers with wheels altered in any way from Nissan approved original equipment or service replacement parts and provide a list of all such vehicles by VIN and summary of each alteration (e.g., aftermarket re-chroming):
- a. Raceway Nissan in Riverside, CA;
  - b. Antelope Valley Nissan in Palm Dale, CA; and
  - c. Nissan of Thousand Oaks in Thousand Oaks, CA.
11. Provide a detailed description of, and copies of all documents relating to, Nissan's decision to issue Technical Service Bulletins (TSB's) concerning aftermarket re-chroming of Nissan alloy wheels. Summarize the field experience, by model, wheel and dealer code, with problems relating to aftermarket re-chromed wheels that Nissan was aware of when the original TSB was issued and when it was reissued.
12. Describe in detail, and provide copies of all documents relating to, Nissan's understanding of the potential adverse effects of various aftermarket re-chroming processes on wheel properties and field performance. Include an explanation of a proper chroming process and examples of improper processes and the effects on wheel material properties and structural integrity.
13. Furnish Nissan'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 subject component was malfunctioning; and
  - f. The reports included with this inquiry.

This letter is being sent to Nissan pursuant to 49 U.S.C. § 30166, which authorizes NHTSA to conduct any investigation that may be necessary to enforce Chapter 301 of Title 49 and to request reports and the production of things. It constitutes a new request for information. Nissan's failure to respond promptly and fully to this letter could subject Nissan to civil penalties pursuant to 49 U.S.C. § 30165 or lead to an action for injunctive relief pursuant to 49 U.S.C. § 30163. (Other remedies and sanctions are available as well.) Please note that maximum civil penalties under 49 U.S.C. § 30165 have increased as a result of the recent enactment of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, Public Law No. 106-414 (signed November 1, 2000). Section 5(a) of the TREAD Act, codified at 49 U.S.C. § 30165(b), provides for civil penalties of up to \$6,000 per day, with a maximum of \$16,375,000 for a related series of violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. *See* 49 CFR 578.6 (as amended by 71 Fed. Reg. 28279 (May 16, 2006)). This includes failing to respond to ODI information requests.

If Nissan cannot respond to any specific request or subpart(s) thereof, please state the reason why it is unable to do so. If on the basis of attorney-client, attorney work product, or other privilege, Nissan does not submit one or more requested documents or items of information in response to this information request, Nissan must provide a privilege log identifying each document or item withheld, and stating the date, subject or title, the name and position of the person(s) from, and the person(s) to whom it was sent, and the name and position of any other recipient (to include all carbon copies or blind carbon copies), the nature of that information or material, and the basis for the claim of privilege and why that privilege applies.

Nissan's response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by February 2, 2007. Please refer to PE06-050 in Nissan's response to this letter. If Nissan finds that it is unable to provide all of the information requested within the time allotted, Nissan must request an extension from me at (202) 366-5207 no later than five business days before the response due date. If Nissan is unable to provide all of the information requested by the original deadline, it must submit a partial response by the original deadline with whatever information Nissan then has available, even if an extension has been granted.

If Nissan claims that any of the information or documents provided in response to this information request constitute confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or are protected from disclosure pursuant to 18 U.S.C. § 1905, Nissan must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 CFR Part 512, as amended (69 Fed. Reg. 21409 et seq; April 21, 2004), to the Office of Chief Counsel (NCC-113), National Highway Traffic Safety Administration, Room 5219, 400 Seventh Street, S.W., Washington, D.C. 20590. Nissan is required to submit two copies of the documents containing allegedly confidential information (except only one copy of blueprints) and one copy of the documents from which information claimed to be confidential has been deleted.

If you have any technical questions concerning this matter, please call Andrea A. Noel of my staff at (202) 493-0210.

Sincerely,

**Original Signed By**

Jeffrey L. Quandt, Chief  
Vehicle Control Division  
Office of Defects Investigation

Enclosure: One CD ROM titled Data Collection Disc containing 4 files