TOYOTA MOTOR NORTH AMERICA, INC.

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September 8, 2006

Mr. Thomas Z. Cooper Chief – Vehicle Integrity Division Office of Defects Investigation National Highway Traffic Safety Administration 400 Seventh St., SW Washington, DC 20590

Re: NVS-212lhs; PE06-024

Dear Mr. Cooper:

This letter is being sent in response to your July 12, 2006 letter regarding PE06-024. Per our agreement, Toyota is providing a partial response to your inquiry. The remainder of our response will be submitted on September 22.

Enclosed you will find two copies of this response, including two CD-ROMs that contain all of the attachments. Should you have any questions about this response, please contact Mr. Chris Santucci of my staff at (202) 775-1707.

Sincerely,

Chris Tinto Vice President

TOYOTA MOTOR NORTH AMERICA, INC.

CT:cs Enclosure

- 1. State, by model year, the number of subject vehicle manufactured by TMNA for sale or lease in the United States. Separately, for each subject vehicle manufactured to date by Toyota 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 1

The number of MY 2005-2006 Toyota Scion tC vehicles Toyota has manufactured for sale or lease in the United States by model year is as follows.

| Model | Model Year | in fall of | |
|----------|------------|------------|--|
| Scion tC | 2005 | 62,358 | |
| | 2006 | 80,594 | |
| Total | | 142,952 | |

In addition, detailed information for each vehicle is provided electronically on CD-ROM, in Microsoft Access 2000 format entitled "PRODUCTION DATA(PE06-024).mdb" stored in the folder "Attachment-Response 1".

- 2. State itemized separately for the subject retractable and stationary moonroof panels, the number of each of the following, received by TMNA, or of which TMNA is otherwise aware, that 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 an injury or death, notices received by TMNA alleging or proving that an injury or death was related to or resulted from the alleged defect in a subject vehicles;
 - d. Property damage claims, including claims of a loss of vehicle control and/or accident in which catastrophic breakage of the moonroof are alleged to have contributed to the occurrence;

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

For subparts "a" through "c," state the total number of each item (e.g., consumer complaints, field reports, etc.) separately. Multiple incidents involving the same vehicle, or separate moonroof panels on 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 TMNA's assessment of the problem, with a summary of the significant underlying facts and evidence. For item "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 2

- a. Using the counting methodology described in your question, there are 50 consumer complaint reports that may relate to the alleged defect in the subject vehicles. Since some customers complained about multiple incidents, the total number of unique vehicles in the consumer complaints is 47. This includes 4 vehicles which are duplicated with the NHTSA VOQs attached to the inquiry letter.
- b. There are 4 field reports that may relate to the alleged defect in the subject vehicles. This includes 2 vehicles which are duplicated with the consumer complaints and one vehicle which is duplicated with the NHTSA VOQ attached to the inquiry letter.
- c. There are no reports alleging a crash or a fatality had occurred. However in the consumer complaints, 3 incidents have been reported where a minor injury had occurred.
- d. There are no property damage claims which may relate to the alleged defect.
- e. There are no third party arbitration proceedings where Toyota is or was a party to the arbitration.
- f. There are no lawsuits in which Toyota is defendant.

The total count of the unique incidents for each item by model year and the specific moonroof panel (Center panel: retractable, or Rear panel: stationary), which may relate to the alleged defect in the subject vehicles is provided electronically on CD-ROM in Microsoft Excel 2000 format entitled "Total Number.xls" stored in the folder "Attachment- Response 2".

- 3. For each item (complaint, report, claim, notice, or matter) within the scope of TMNA's response to Request No. 2, state the following information:
 - a. TMNA'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 the incident involved the retractable or stationary moonroof panel;
- j. Whether a crash is alleged;
- k. Whether property damage is alleged;
- 1. Number, type, and severity 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."

Response 3

The information for each item (complaint, report, claim, notice, or matter) is provided electronically on CD-ROM, in Microsoft Access 2000 format entitled "REQUEST NUMBER TWO DATA(PE06-024).mdb stored in the folder "Attachment-Response 3".

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 TMNA used for organizing the documents.

Response 4

A list of all of the consumer complaints stored in the database is provided electronically on CD-ROM, in Microsoft Excel format, stored in the folder "Attachment-Response 4". In addition, copies of the field reports are provided electronically on CD-ROM in PDF format stored in the folder "Attachment-Response 4". (The list of the consumer complaints is stored in sub-folder "a. Consumer Complaint." Copies of the field reports are stored in sub-folder "b. Field Report".)

5. State, itemized separately for the subject retractable and stationary moonroof panels, a total count for all of the following categories of claims, collectively, that have been paid by TMNA to date that relate, 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. TMNA'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 5

The total counts of warranty claims and claims for good will services paid by Toyota for the subject vehicles that may relate to the alleged defect by model year and specific moonroof panel (Center panel: retractable, or Rear panel: stationary) are provided electronically on CD-ROM, in Microsoft Excel 2000 format entitled "Total Count for Claims.xls" stored in the folder "Attachment-Response 5". Toyota has received no extended warranty claims which may relate to the alleged defect.

The detailed information for each claim is provided electronically on CR-ROM, in Microsoft Access 2000 format entitled "WARRANTY DATA(PE06-024).mdb" stored in the folder "Attachment-Response 5".

6. Describe in detail the search criteria used by TMNA 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 the terms of the new vehicle warranty coverage offered by TMNA 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 TMNA offered for the subject vehicles and state the number of vehicles that are covered under each such extended warranty.

Response 6

The search criteria used by Toyota to identify the claims is the following:

Toyota searched the warranty database for those claims that replaced any of the glass panels identified in the Microsoft Excel file entitled "Search Criteria, Operation & Problem Codes.xls" stored in the folder "Attachment-Response 6" on CD-ROM. Toyota then reviewed the claim comments to determine if the claims may be related to the alleged defect and to identify the glass moonroof panel involved in the incident.

However, the moonroof panel could not be identified in some claims due to the limited information in the warranty and goodwill claim database. Therefore, for those claims, Toyota tried to contact owners to ask them which glass moonroof panel had shattered or broken. As a result, we could contacted some of the owners and identified the panel.

A list of all labor operations, labor operation descriptions, problem codes and problem code descriptions identified in these warranty claims are also provided in the same Microsoft Excel file described above.

The terms that Toyota offers for new vehicle warranty coverage is 36 months or 36,000 miles on MY 2005-2006 Scion tC vehicles from the vehicle's date-of-first-use, whichever occurs first.

There are some extended warranty coverage options that Toyota offered for purchase with the subject vehicles. Detailed information about these options is provided electronically on CD-ROM, in PDF format, entitled "Extended Warranty Option.pdf" stored in the folder "Attachment-Response 6". The number of vehicles that are covered under each such extended warranty option, by option, model, and model year is as follows.

| Model | MY | Gold | Platinum | Powertrain | Total |
|------------|------|-------|----------|------------|--------|
| Scion tC - | 2005 | 1,882 | 12,739 | 7 | 14,628 |
| | 2006 | 1,578 | 14,744 | 6 | 16,328 |
| Total | | 3,460 | 27,483 | 13 | 30,956 |

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 TMNA 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 such communication that TMNA planning to issue within the next 120 days.

Response 7

Toyota has not issued any service or technical bulletins, advisories, or other communications to dealers, regional or zone offices, field offices, fleet purchasers, or other entities that relate to, or may relate to, the allege defect in the subject vehicles.

- 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, TMNA. 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 8

Toyota will respond to this inquiry on September 22.

- 9. Describe all modifications or changes made by, or on behalf of, TMNA in the design, material composition, manufacture, quality control, supply, or installation of the subject components, from the start of production to date, which relate, 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;
 - 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 TMNA is aware of which may be incorporated into vehicle production within the next 120 days.

Response 9

Toyota will respond to this inquiry on September 22.

10. Provide a complete engineering description and appropriate engineering specifications of the subject component installed in the subject vehicles. 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, all other vehicles of which TMNA is aware, that are equipped with identical moonroof and wind deflector assemblies as the subject vehicles, whether installed in production or in service, and state the applicable dates of production or service usage.

Response 10

The engineering description and appropriate engineering specifications of the subject component installed in the subject vehicles have been provided in the Toyota's response to the NHTSA's Peer Vehicle Information Request (EA06-001). Please refer to the Response 5 and relevant attachments in Toyota's response submitted on July 14, 2006.

In addition, Toyota provides the appropriate pages of the New Car Features and Owners Manual for descriptions of the basic operation of the moonroof system, including the operation flow, the system diagram and functions, electronically on CD-ROM, in PDF format, stored in the folder "Attachment-Response 10".

The information on the supplier for each component part number of the subject system is provided electronically on CD-ROM in Microsoft Excel format entitled "Supplier Information.xls" stored in the folder "Attachment-Response 10".

There are no other vehicles which are equipped with identical moonroof and wind deflector assemblies as the subject vehicles.

- 11. Provide TMNA'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.

Response 13

Toyota will respond to this inquiry on September 22.

Regarding privileged documents that may be responsive to this information request, Toyota understands that it is acceptable to the Agency at this stage for Toyota to identify categories of privileged documents rather than any specific document within those categories. These categories include (a) communications between outside counsel and employees of Toyota's Law Department, other Toyota employees, or employees of parties represented by Toyota in litigation or claims; (b) communications between employees of Toyota's Law Department and other Toyota employees or employees of parties represented by Toyota in litigation or claims; (c) notes and other work product of outside counsel or employees of Toyota's Law Department, including work product of employees or consultants done for or at the request of outside counsel or Toyota's Law Department. For any privileged documents that are not covered by these categories, if any, Toyota will provide a privilege log identifying any such documents under separate cover. Toyota is not claiming a legal privilege for any documents provided with this response; however, Toyota does not waive the legal privilege or work product protection with respect to other documents that may have been prepared in connection with a specific litigation or claim. In addition, Toyota may assert the attorney client privilege or claim protection under the work-product doctrine for analyses or other documents that may be prepared in connection with litigation or claims in the future.

Toyota understands that NHTSA will protect any private information about persons that is contained in the Attachments to this response, based on privacy policy considerations. Such private information includes data such as names, addresses, phone or fax numbers, email addresses, license plate numbers, driver's license numbers and last 4 digits of the vehicle's VIN.

Data provided in this document is current as of the following dates:

Response 1 : Production Data (July 17, 2006)

Response 2 - 4 : Consumer Complaint (August 3, 2006)

Field Report (August 21 17, 2006)

Lawsuit (July 31, 2006)

Response 5 : Warranty claims (July 24, 2006)

Goodwill & Extended warranty claims (July 22, 2006)

Response 7 : Dealer communications (August 23, 2006)