

Handwritten: 11/27/06

TOYOTA
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November 16, 2006

Mr. Jeffrey Quandt
Chief – Vehicle Controls Division
Office of Defects Investigation
National Highway Traffic Safety Administration
400 Seventh St., SW
Washington, DC 20590

Re: NVS-213aan; EA06-014

Dear Mr. Quandt:

This letter is being sent in response to your September 20, 2006 letter regarding EA06-014. Per our agreement, Toyota is submitting a partial response to your inquiry, with the remainder to be submitted on December 7.

Enclosed you will find two copies of this response, which include a redacted version of "Attachment-Response 8-1" in hard copy. This document is identified as confidential and a request for confidential treatment has been made to the Office of Chief Counsel. In addition, Two CD-ROM's are being submitted to include the remainder 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

As per our discussion with NHTSA Office of Defect Investigation, we add to the definition of "Subject Vehicles" and "Subject Peer Vehicles" as MY 2004 through 2006 vehicles which are not covered by Recall 05V-225.

Our partial response (November 16, 2006) includes only subject vehicle information, except for "Response 17".

1. Identify all vehicles that use the same lower ball joints as the MY 2004 through 2006 Toyota Tundra pickup trucks. For any such vehicles not already so included, add them to the subject peer vehicle group for responding to this letter.

Response 1

The MY 2004 through 2007 Toyota Sequoia vehicles use the same lower ball joints as the subject vehicles.

2. State, by model and model year, the number of subject vehicles and subject peer vehicles Toyota has manufactured 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. Drivetrain (two-wheel drive or four-wheel drive);
 - e. Model Year;
 - f. Whether the vehicle uses a subject component (i.e., the same lower ball joint as the subject vehicles);
 - g. Date of manufacture;
 - h. Date warranty coverage commenced; and
 - i. 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." See Enclosure 1, Data Collection Disc, for a pre-formatted table that provides further details regarding this submission.

Response 2

The number of the subject vehicles (until October 16, 2006) Toyota has manufactured for sale or lease in the United States by model year is as follows.

	2004	104,900
Tundra	2005	114,480
	2006	146,236
Total		365,616

In addition, detailed information for each vehicle is provided electronically on CD-ROM, in Microsoft Access 2000 format entitled "PRODUCTION DATA(EA06-014).mdb" stored in the folder "Attachment-Response 2".

3. State the number of each of the following, received by Toyota, or of which Toyota is otherwise aware, which relate to, or may relate to, the alleged defect in the subject vehicles and subject peer 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 Toyota is or was a party to the arbitration; and
 - f. Lawsuits, both pending and closed, in which Toyota is or was a defendant or codefendant.

Also, state the number of each of the above items, received by Toyota, or of which Toyota is otherwise aware, which relate to, or may relate to, any and all alleged front suspension lower ball joint separation incident(s) that occurred in the subject recall vehicles after the subject recall remedy was performed.

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 Toyota'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 3

- a. Using the counting methodology described in your question, there are 113 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 96. This includes 4 vehicles which are duplicated with the NHTSA VOQ's attached to the inquiry letter.
- b. There are 13 field reports that may relate to the alleged defect in the subject vehicles. This includes one vehicle which is duplicated with a NHTSA VOQ attached to the inquiry letter and one of the property damage claims.
- c. In the consumer complaints, 6 unique incidents have been reported where an injury was alleged. Three of these injury incidents involved a crash. In addition, Toyota has received 6 consumer complaints and one legal related claim (i.e. PL claim) involving a crash, which may relate to the alleged defect.
- d. Toyota has received 14 property damage claims that may relate to the alleged defect. Twelve of these claims are duplicated with the consumer complaints and one claim is duplicated with the legal related claims involving a crash. In addition, 2 of the 14 claims are duplicated with the NHTSA VOQ's attached to the inquiry letter.
- e. There are no third party arbitration proceedings.
- f. There is one lawsuit in which Toyota is the defendant. This incident involved a crash and alleged that some property damage occurred.

The total count of the unique incidents for each item is provided electronically on CD-ROM in Microsoft Excel 2000 format entitled "Total Number" stored in the folder "Attachment-Response 3".

4. Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 3, state the following information:
 - a. Toyota's file number or other identifier used;
 - b. The category of the item, as identified in Request No. 3 (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 crash is alleged;
 - j. Whether property damage is alleged;
 - k. Number of alleged injuries, if any; and
 - l. Number of alleged fatalities, if any.

Provide this information in Microsoft Access 2000, or a compatible format, entitled "REQUEST NUMBER THREE DATA." See Enclosure 1, Data Collection Disc, for a preformatted table that provides further details regarding this submission.

Response 4

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 THREE DATA.mdb" stored in the folder "Attachment-Response 4".

5. Produce copies of all documents related to each item within the scope of Request No. 3. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) and describe the method Toyota used for organizing the documents.

Response 5

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 5". In addition, copies of the field reports, and documents related to the property damage claims and lawsuits are all provided electronically on CD-ROM in PDF format stored in the folder "Attachment-Response 5".

(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". Copies of the documents for the property damage claims are stored in the sub-folder "d. Property Damage" and the documents for the lawsuits are stored in the sub-folder "f. Lawsuits".)

6. State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by Toyota to date that relate to, or may relate to, the lower ball joints in the subject vehicles and 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.

Separately, for each such claim, state the following information:

- a. Toyota'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. Whether the vehicle was towed to the dealer for the repair;

- h. Labor operation number;
- i. Problem code;
- j. Replacement part number(s) and description(s);
- k. Concern stated by customer; and
- l. Comment, if any, by dealer/technician relating to claim and/or repair.

Also, state a total count for each of the above items that have been paid by Toyota to date that relate to, or may relate to, any and all alleged front suspension lower ball joint separation incident(s) that occurred in the subject recall vehicles after the subject recall remedy was performed.

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 that provides further details regarding this submission.

Response 6

The total counts of warranty claims, extended warranty claims, and claims for good will services paid by Toyota for the subject vehicles that may relate to the lower ball joints by model year are provided in response 7.

The detailed information for each claim is provided electronically on CR-ROM, in Microsoft Access 2000 format entitled "WARRANTY DATA.mdb" stored in the folder "Attachment- Response 6".

- 7. State a total count for all such claims identified in response to Request No. 6 that relate to a subject component that maintained its joint retention capability and provide a tabulation of those by fault code (e.g., wear, noise, loose, etc.). Separately, state a total count for all such claims identified in response to Request No. 6 that relate to the alleged defect.

Response 7

The number of all claims identified in response to Request No. 6 that relate to a subject component that maintained its joint retention capability and that relate to the alleged defect are provided electronically on CD-ROM, in Microsoft Excel 2000 format entitled "Total Count for Claims.xls" stored in the folder "Attachment-Response 7".

8. Describe in detail the search criteria used by Toyota 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 and subject recall vehicles. State, by make and model year, the terms of the new vehicle warranty coverage offered by Toyota 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 Toyota 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 8

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 parts identified in Microsoft Excel file entitled "Search Criteria, Operation & Problem Codes.xls" stored in the folder "Attachment-Response 8" on CD-ROM. Toyota then reviewed the claim comments to determine if the claims may be related to the alleged defect. In addition, 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 on the subject vehicles is 36 months or 36,000 miles 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 8".

The number of the subject vehicles that are covered under each such extended warranty option, by option and model year is provided as "Attachment-Response 8-1" in hard copy only. Please note that this "Attachment-Response 8-1" contains trade secret and commercial information, therefore, Toyota believes that this document must be afforded confidential treatment. A request for confidential treatment of this document has been sent to the Office of Chief Counsel. A public version of this document is included with this response.

9. Produce copies of all service, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject vehicles, that Toyota 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 Toyota is planning to issue within the next 120 days.

Response 9

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 alleged defect in the subject vehicles, except for the documents that relates to the subject recall (NHTSA recall number: 05V-225).

However, Toyota has issued one service bulletin pertaining to the "subject components". Although Toyota believes that this bulletin does not relate to the alleged defect defined by NHTSA and Toyota submitted this bulletin in our response to NHTSA's inquiry letter regarding PE04-040 and RQ06-005, Toyota provides this bulletin again for your information electronically on CD-ROM, in PDF format stored in the folder "Attachment-Response 9". It is important to note that this Technical Service Bulletin was not issued solely with respect to the subject component on the subject vehicle. This bulletin was issued for all Toyota vehicles to ensure that the dealer properly checks the ball joint.

10. 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, Toyota. 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 10

Toyota will respond to this inquiry on December 7.

11. Describe all modifications or changes made by, or on behalf of, Toyota in the design, material composition, manufacture, quality control, supply, or installation of the subject component, from the start of production to date, which relate to, or may relate to, the alleged defect. 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 numbers (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 Toyota is aware of which may be incorporated into vehicle production within the next 120 days. For 10.c, provide more detailed explanations of the reasons for the changes that were identified in response to RQ06-005 and provide copies of all related documents.

Response 11

Toyota will respond to this inquiry on December 7.

12. State the number of each of the following that Toyota has sold that may be used in the subject vehicles and subject vehicles by component name, part number (both service and engineering/production), model and model year of the vehicle in which it is used and month/year of sale (*including the cut-off date for sales, if applicable*):
 - a. Lower ball joints; and
 - b. Any kits released or developed by Toyota for use in service repairs to the lower ball joints.

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 Toyota is aware that contain the identical component, whether installed in production or in service, and state the applicable dates of production or service usage.

Response 12

The number of subject components that Toyota has sold that may be used in the subject vehicles by component name, part number, and month/year of sale is provided electronically on CD-ROM, in Microsoft Excel 2000 format entitled "Number of components sold in the US.xls", stored in the folder "Attachment- Response 12". Please note that Toyota's part sales database does not have the data on the model and model year of the vehicle in which the sold component is used, therefore, the sales data includes the number of components sold for use not only in the subject vehicles but also in the vehicles that contain the identical components installed in production or in service. The lists of other vehicles that contain the identical components are also provided electronically on CD-ROM, in Microsoft Excel 2000 format entitled "Other vehicles using identical parts.xls", stored in the folder "Attachment- Response 12".

The information on the supplier for each component parts number is provided electronically on CD-ROM, in Microsoft Excel 2000 format entitled "Supplier Information.xls", stored in the folder "Attachment-Response 12".

13. Furnish copies of all communications between Toyota and each supplier of subject components for the subject vehicles that pertain to the design, manufacture, performance, durability, quality, testing, or modification of the subject component in the subject vehicles or to its application for the front suspension assembly. This includes, but is not limited to, discussions regarding Toyota's ball joint engineering specifications and requirements, the specifications used by the supplier(s) in producing the subject components, any factors of safety incorporated into the engineering specifications and requirements, any procedures for installing and/or assembling the subject component, and the manufacturing and quality control processes followed by the supplier(s) (and, if applicable, by Toyota) as to the subject components. If any communications on this subject were oral or were conducted electronically, provide a written transcript or summary of each such communication, and include a statement that identifies the participants and the date of the communication.

Response 13

Toyota will respond to this inquiry on December 7.

14. Describe, and provide copies of all documents relating to, all of the engineering specifications related to joint wear, durability, end-play and separation/retention force. State the design service life in both years and mileage for the subject components.

Response 14

Toyota will respond to this inquiry on December 7.

15. Provide a detailed description and flow chart of Toyota's recall decision making process including the titles, organization and location of all individuals and/or groups responsible for the investigation, analysis, review and/or final defect determination decision. Describe and provide copies of all documents relating to Toyota's final analysis of the defect condition addressed by Recall 05V-225, including all reports and presentations reviewed by engineering and/or recall decision making groups.

Response 15

Toyota will respond to this inquiry on December 7.

16. Provide the following information regarding the vehicles recalled in 05V-225:

- a. Provide a table listing the vehicles recalled by model, model year and drivetrain;
- b. For each model, model year and drivetrain listed in 16.a, state the number of vehicles sold in the United States;
- c. For each model, model year and drivetrain listed in 16.a, state the total number of lower ball joint separation incidents Toyota was aware of when it decided to conduct Recall 05V-225;
- d. For each model, model year and drivetrain listed in 16.a state the total number of lower ball joint separation incidents Toyota is aware of now (this should include the incidents tabulated in response to 16.c);
- e. Using actual data or statistical models as appropriate state the lower ball joint separation rates for each of the vehicle model, model year and drivetrain combinations listed in 16.a at 24-, 36-, 48, and 60-months in service;
- f. Using actual data or statistical models as appropriate state the lower ball joint separation rates for each of the vehicle model, model year and drivetrain combinations listed in 16.a at 36,000, 60,000 and 100,000 miles;
- g. Provide an Excel spreadsheet listing all of the separation incidents tabulated in 16.d by vehicle model, model year and model year with the same information requested in Request No. 4; and
- h. Provide the same information requested in Request Nos. 16.a, 16.b, 16.d, 16.e and 16.f for the subject vehicles and subject peer vehicles.

Response 16

Toyota will respond to this inquiry on December 7.

17. State, by model and model year, the number of vehicles that have received the remedy for Recall 05V-225. Separately, for each of the vehicles covered by Recall 05V-225, state the following:

- a. Vehicle identification number (VIN);
- b. Make;
- c. Model;
- d. Drivetrain;
- e. Model Year;
- f. Date of manufacture;
- g. Date warranty coverage commenced;
- h. Date Recall 05V-225 repairs were completed;
- i. Vehicle mileage when Recall 05V-225 repairs were completed;
- j. The State in the United States where the vehicle was originally sold or leased (or delivered for sale or lease); and
- k. The State in the United States where the Recall 05V-225 repairs were completed.

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

Response 17

The number of vehicles by model and model year that have received the remedy for Recall 05V-225 is as follows.

4RUNNER	2001	8,002
	2002	60,523
SEQUOIA	2002	59,269
	2003	54,981
	2004	4,875
TACOMA	2001	8,399
	2002	85,004
	2003	84,125
	2004	27,710
TUNDRA	2002	79,717
	2003	83,136
	2004	1,030

In addition, detailed information for each of the vehicles covered by Recall 05V-225 is provided electronically on CD-ROM, in Microsoft Access 2000 format entitled "RECALL DATA (EA06014).mdb" stored in the folder "Attachment-Response 17".

18. Furnish Toyota's assessment of the alleged defect in the subject vehicle, including:
- The causal or contributory factor(s);
 - The failure mechanism(s);
 - The failure mode(s);
 - The risk to motor vehicle safety that it poses;
 - The failure rate and trend in comparison to the rates and trends associated with the subject recall vehicles at the time Toyota notified the agency of the subject recall;
 - How the condition pertains to the parts used in the remedy for Recall 05V-225; and
 - The reports included with this inquiry.

Response 18

Toyota will respond to this inquiry on December 7.

19. Compare the lower ball joint separation rates at 24- and 36-months in service of the MY 2004 subject vehicles and the Tundra vehicles recalled in 05V-225 and explain why Toyota has not recalled the subject vehicles to replace the subject components.

Response 19

Toyota will respond to this inquiry on December 7.

* * *

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 2 : Production Data (October 16, 2006)
- Response 3 - 5 : Consumer complaint (October 13, 2006)
 - Field Report (October 19, 2006)
 - Lawsuit (October 25, 2006)
- Response 6 - 8 : Warranty claims (October 13, 2006)
 - Goodwill (October 26, 2006)
 - Extended warranty claims (October 12, 2006)
- Response 9 : Dealer communications (October 27, 2006)
- Response 12 : Parts sales (October 24, 2006)
- Response 17 : Recall vehicle (November 7, 2006)