

Handwritten: 6/8/07

VOLKSWAGEN of America, Inc.

2007-05-31 P 2:23

DEFECT INVESTIGATION

Product Compliance
3800 Hamlin Road
Auburn Hills, MI 48326
Phone: 1 (248) 754-5000
Fax: 1 (248) 754-5093

May 30, 2007

Kathleen Demeter
Director, Office of Defects Investigation
U.S. Department of Transportation
National Highway Traffic Safety Administration
1200 New Jersey Avenue S.E.
Washington, DC 20590

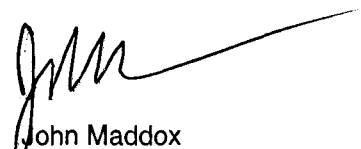
Subject: PE07-018 NVS-23aan; Water in Brake Booster

Dear Ms. Demeter:

Please find attached Volkswagen's response to PE07-018 regarding brake boosters on certain MY 2001-2003 Volkswagen Passat vehicles. Pursuant to a phone conversation with Mr. Jeff Quandt on May 16, 2007 Volkswagen is providing responses to requests 1-6, and 11. Information related to questions 7-10, and 12 will be provided in the technical review meeting scheduled for June 25, 2007.

Please contact me if you have any questions.

Regards,



John Maddox
Product Compliance/TREAD Officer
Volkswagen of America

Request 1.

State, by model and model year, the number of subject vehicles VW has manufactured for sale or lease in the United States. Separately, for each subject vehicle manufactured to date by VW, 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." See Enclosure 1, Data Collection Disc, for a pre-formatted table that provides further details regarding this submission.

Response 1.

In response to this inquiry, Volkswagen has identified the following subject vehicle population:

	MY 2001	MY 2002	MY 2003
Passat	82,889	93,836	105,233

Our response to this request including subparagraphs a. through g. is provided in a Microsoft Access file entitled, "PRODUCTION DATA.mdb" attached hereto as Exhibit to Request 1.

Source: Business Objects

Date Gathered: Through the date of the inquiry

Exhibit to Request 1

PRODUCTION DATA

Data is provided in Microsoft Access format on PE07-018 Data Collection Disc

Request 2

State the number of each of the following, received by VW, or of which VW 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; and
- e. Third-party arbitration proceedings where VW is or was a party to the arbitration; and
- f. Lawsuits, both pending and closed, in which VW 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 "d," provide a summary description of the alleged problem and causal and contributing factors and VW's assessment of the problem, with a summary of the significant underlying facts and evidence. This should include VW's assessment of whether the problem: (a) is related to water/ice in the brake booster; (b) may be related to water in the brake booster – these should include all items relating to water drainage from the area around the booster; or (c) is not related to water in the brake booster with the reasons clearly stated. 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 2

- a. In response to this inquiry, Volkswagen has identified 128 consumer complaints from 120 unique vehicles, none of which are from fleet operators that include any one or more of the alleged defects in the subject vehicles. Volkswagen notes that five of the consumer complaints are duplicative of VOQs. Volkswagen is also providing copies of consumer complaints in which the allegations do not allow Volkswagen to determine if they may or may not be related to the alleged defects in the subject vehicles.
- b. In response to this inquiry, Volkswagen has identified 41 Field Reports from 40 unique vehicles, one of which is duplicative of a Customer Relations case, which include any one or more of the alleged defects in the subject vehicles. Volkswagen is also providing copies of Field Reports in which the allegations do not allow Volkswagen to determine if they may or may not be related to the alleged defects in the subject vehicles.
- c. In response to this inquiry, Volkswagen has identified five consumer complaints alleging a crash, and one alleging an injury. Volkswagen notes that the crashes and injury appear to be relatively minor in nature. Volkswagen did not identify any reports of 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 the alleged defect in a subject vehicle, property damage claims, consumer complaints or field reports. Volkswagen is providing copies of these incidents which include copies of these reports. Volkswagen is also providing reports involving a crash or injury based on claims against the manufacturer in which allegations do not allow Volkswagen to determine if they may or may not be related to the alleged defects in the subject vehicles.
- d. In response to this inquiry, Volkswagen has identified one property damage claim which is duplicative of a customer relations case and a VOQ, where a low speed accident was alleged.

- e. In response to this inquiry, Volkswagen has not identified any third-party arbitration proceedings, where Volkswagen is or was a party to the arbitration.
- f. In response to this inquiry, Volkswagen has identified two breach of warranty lawsuits in which Volkswagen is or was a defendant or codefendant. The lawsuit is duplicative of customer relations case.

In response to this inquiry, Volkswagen has assessed and categorized these “c” through “d” records based on allegations in the record statement, according to the NHTSA defined categorizations 1, 2, and 3 of the alleged defect. This information is provided in response to Question 3.

Source: LISTEN, PLE, FRED, TACS

Date Gathered: Through the date of the updated inquiry

Question 3

Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your to Request No. 2, state the following information:

- a. VW'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. VW's assessment of the item as defined in last paragraph of Request No. 2;
- d. Vehicle owner or fleet name (and fleet contact person), address, and telephone number;
- e. Vehicle's VIN;
- f. Vehicle's make, model and model year;
- g. Vehicle's mileage at time of incident;
- 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 that provides further details regarding this submission.

Response 3

Responses to subparagraphs a. through m. are provided in REQUEST NUMBER TWO DATA folder attached hereto as Exhibit to Request 3. These cases are organized by category then by case number.

Source, Date Gathered: See Response Two

Exhibit to Request 3

**REQUEST NUMBER TWO DATA
&
NON-SPECIFIC NUMBER TWO DATA**

**Data is provided in Microsoft Excel format in the REQUEST NUMBER TWO DATA folder on
PE07-018 Data Collection Disc**

Question 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 VW used for organizing the documents.

Response 4

In response to this inquiry, Volkswagen is providing copies of documents identified for each item in Response 2. The documents are provided in an Adobe Acrobat file entitled "REQUEST NUMBER FOUR DATA.pdf" attached hereto as Exhibit to Request 4. These cases are organized by category then by case number.

Volkswagen is also providing copies of consumer complaints in which the reason for the claim does not contain sufficient information for Volkswagen to determine if they may or may not be related to the alleged defect. Information on these claims is provided in an Adobe Acrobat file entitled "NON-SPECIFIC NUMBER FOUR DATA.pdf" attached hereto as Exhibit to Request 4. These cases are organized by category then by case number.

Source, Date Gathered: See Response Two

Exhibit to Request 4

**REQUEST NUMBER FOUR DATA
&
NON-SPECIFIC NUMBER FOUR DATA**

**Data is provided in Adobe Acrobat format in the REQUEST NUMBER FOUR folder on
PE07-018 Data Collection Disc**

Question 5

State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by VW 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. VW'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;
- k. Comment, if any, by dealer/technician relating to claim and/or repair; and
- l. VW's categorization of the claim (see request for assessment below).

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. Include VW's assessment of the number of claims that: (a) are related to water/ice in the brake booster; (b) may be related to water in the brake booster – these should include all claims relating to water drainage from the area around the booster; and (c) are not related to water in the brake booster or in the area around the booster, with the reasons clearly stated.

Response 5

In response to this inquiry, Volkswagen has identified 334 warranty claims that include any one or more of the alleged defects in the subject vehicles. Volkswagen notes that one of these claims is duplicative of a VOQ, 27 are duplicative of a consumer complaint, one is a duplicative of a breach of warranty, and 7 are duplicative of a field report. In response to this inquiry, Volkswagen has assessed and categorized these records based on allegations in the record statement, according to the NHTSA defined categorizations 1, 2, and 3 of the alleged defect.

Volkswagen is also providing copies of claims, in which the allegations do not allow Volkswagen to determine if they may or may not be related to the alleged defects in the subject vehicles.

Our response to this request is provided in Microsoft Excel format in the REQUEST NUMBER FIVE DATA folder attached hereto as Exhibit to Request 5. These cases are organized by case number.

Source: Business Objects Warranty Claims Universe Date Gathered: Through the date of the updated inquiry

Exhibit to Request 5

WARRANTY DATA

&

NON-SPECIFIC WARRANTY DATA

**Data is provided in Microsoft Excel format in the REQUEST NUMBER FIVE DATA folder on
PE07-018 Data Collection Disc**

Question 6

Describe in detail the search criteria used by VW to identify the claims identified in 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 VW 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 VW 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 6

In response to this inquiry, the following methods were used to identify claims in response to request number five.

- 1. All model year 2001-2003 Passat subject vehicles manufactured for sale or lease in the United States**

AND

- 2. All warranty containing the following subject part numbers:**

**4B3 612 105*
4B3 612 107*
8E0 612 105*
8E0 612 107*
3B0 612 107***

- 3. All resultant claims were then screened individually for relevance to the alleged defects in the subject vehicles.**

Volkswagen notes that the standard Labor Operation Number associated with removal and installation of the brake booster is 47701990.

Volkswagen has identified, through screening the resultant claims, a list of problem codes and problem code descriptions that were used in claims relating to the alleged defect in the subject vehicles. The following overviews these findings:

**10 – Mechanical Defect
11 – Incorrectly Adjusted
15 – Torn, broken, Electrical open circuit
16 – Ineffective
17 – Stiff
18 – Loose
20 – Noisy
33 – Corrosion
40 – Electrical Defects
50 – Leaking
88 – Vehicle Towed in to Dealership**

Volkswagen notes that service personnel may not consistently use the appropriate Damage Code when entering a warranty claim.

The following is a list, by make and model year, of the terms of the new vehicle warranty coverage offered by Volkswagen on the subject vehicles:

Model Year	Warranty Terms and Vehicle	Coverage Type
2001	2 Years / 24,000 miles: VW Passat	Bumper to Bumper
2002	4 Years / 50,000 miles: VW Passat	Bumper to Bumper
2003	4 Years / 50,000 miles: VW Passat	Bumper to Bumper

Source: VWoA Date Gathered: Through the date of the updated inquiry

Question 11

State the number of subject components that VW has sold that may be used in the 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*).

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 VW 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 11

In response to this inquiry, Volkswagen is providing parts sales data in Microsoft Excel format attached hereto as Exhibit to Request 11.

Source: SAP BWP Production , Date Gathered: Through the date of the inquiry

Exhibit to Request 11

PART SALES DATA

Data is provided in Microsoft Excel format on PE07-018 Data Collection Disc