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2007 OCT 10 P 2:01
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2007/10/15/07

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October 10, 2007

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Via Hand Delivery

Jeffrey L. Quandt, Chief
Vehicle Control Division
Office of Defects Investigation
National Highway Traffic Safety Administration
1200 New Jersey Avenue, SE
West Building, Room W-48312
Washington, DC 20590

Re: PE07-042 – Air Suspension System Failures in Model Year 2000 Mercedes-Benz S and SL-Class Vehicles

Dear Mr. Quandt:

This letter is submitted on behalf of DaimlerChrysler AG and Mercedes-Benz USA, LLC (collectively “Mercedes-Benz”) to the National Highway Traffic Safety Administration (“NHTSA” or “Agency”) in response to the Office of Defects Investigation’s August 22, 2007 request for information relating to the Agency’s preliminary evaluation of the air suspension system in model year 2000 – 2004 Mercedes S and SL-Class vehicles. As we agreed last month, this letter responds to NHTSA Requests No. 1 through 7; the remaining requests will be addressed in a subsequent filing due October 25, 2007.

The responses to NHTSA’s requests numbered 1-7 are provided below following a restatement of the Agency’s original requests.

Request No. 1: *State, by model and model year, the number of subject vehicles Mercedes-Benz has manufactured for sale or lease in the United States. Separately, for each subject vehicle manufactured to date by Mercedes-Benz, state the following:*

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- a) *Vehicle identification number (VIN);*
- b) *Model;*
- c) *Model year;*
- d) *Date of manufacture;*
- e) *Date warranty coverage commenced; and*
- f) *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:

Mercedes-Benz has manufactured approximately 131,201 subject vehicles.¹ The detailed production information requested in Request No. 1 is provided in Attachment 1.

Request No. 2:

State the number of each of the following, received by Mercedes-Benz, or of which Mercedes-Benz 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) *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*

¹ Although NHTSA's August 22, 2007 information request defined subject vehicles as model year 2000-2004 S and SL Class vehicles, we have only provided information related to S-Class vehicles, since only the subject S-Class vehicles were equipped with the "subject system" which is an "air suspension system." MY 2000-2004 SL Class vehicles were equipped with an entirely different suspension system known as Active Body Control or "ABC" which uses hydraulic suspension struts rather than air suspension struts.

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- defect in a subject vehicle, property damage claims, consumer complaints, or field reports;*
- e) Property damage claims; and*
 - f) Third-party arbitration proceedings where Mercedes-Benz is or was a party to the arbitration; and,*
 - g) Lawsuits, both pending and closed, in which Mercedes-Benz 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 "g," provide a summary description of the alleged problem and causal and contributing factors and Mercedes-Benz's assessment of the problem, with a summary of the significant underlying facts and evidence. For items "f" and "g," 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:

The number of each item requested in Request No. 2 is as follows:

a) Mercedes-Benz has reviewed its complaint information files for any reference to the words "air suspension," "air shock," "vehicle level," or "airmatic." This search has identified 670 customers who have reported complaints which reference any of these terms. This number reflects customers' complaints which referenced these terms in any way, and may or may not relate to the alleged defect. Mercedes-Benz's customer complaint system incorporates two types of documents: Summary Notes (documenting a customer's concerns) and Customer Assistance Referrals (documenting a customer's concerns and the company's response to the customer concerns). In some cases, there is both a Customer Assistance Referral and a Summary Note relating to the same customer concern or incident. The customer complaint data table at Attachment 3, and the customer complaint documents at Attachment 7, contain information and documents related to both Summary Notes and Customer Assistance Referrals, even where these documents refer to the same underlying incident or complaint.

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The Summary Notes and Customer Assistance Referral texts have been reviewed, and the vast majority of these complaints do not reference any type of contact between the vehicle and the wheels, or any impact on vehicle control. Specifically, only three of these complaints allege that there was some degree of contact between the tires and the fenders, and there is only one complaint that alleges an impact on vehicle drivability of any kind.

b) Mercedes-Benz has identified 285 dealer field reports referencing the Airmatic system.

c) Mercedes-Benz has identified one report involving an accident which alleges a problem with the suspension system, in a vehicle equipped with Airmatic. This report involved an accident allegedly related to a problem with the "level control/suspension system." There were no injuries or deaths reported in connection with this accident.

d) Mercedes-Benz has identified two complaints which reference both the word "Airmatic" and "fire." One of those complaints involved a customer who alleged that the Airmatic light came on, and then smoke started coming out of the engine compartment. The repair history for this vehicle indicates that the smoke associated with this claim relates to a problem with the blower motor in the climate control system, which was the subject of a recall in 2004, NHTSA Campaign ID # 04V227000, to replace the blower motor fuse holder, which could become overheated. The second complaint involved an allegation that the Airmatic compressor pump was shorting out and overheating. There are no complaints alleging that fires result from failure of the struts or from the lowering of the vehicle.

e) Mercedes-Benz has identified no related property damage claims.

f) Mercedes-Benz has identified one third-party arbitration proceeding. This proceeding relates to a consumer's commercial dispute with Mercedes-Benz regarding repair costs. Attachment 2 provides the requested information regarding parties, caption, court, docket number and date.

g) Mercedes-Benz has identified 20 lawsuits which reference the Airmatic system in any way. These are lemon-law type lawsuits relating to consumers' commercial disputes with Mercedes-Benz regarding repair costs. Attachment 2 provides the requested information regarding parties, caption, court, docket number and date.

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:*

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- a) Mercedes-Benz'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);
- d) Vehicle owner's address;
- e) Vehicle owner's contact telephone number(s);
- f) Vehicle's VIN;
- g) Vehicle's model;
- h) Vehicle's model year;
- i) Vehicle's mileage at time of incident;
- j) Incident date;
- k) Report or claim date;
- l) Whether a crash is alleged;
- m) Whether a fire is alleged;
- n) Whether property damage is alleged;
- o) Number of alleged injuries, if any; and
- p) Number of alleged fatalities, if any.

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

Response to Request No. 3:

The available information responsive to Request No. 3 is as follows:

- For Request No. 2(a), consumer complaint information, please see Attachment 3.
- For Request No. 2(b), dealer field report information, please see Attachment 4.
- For Request No. 2(c), information regarding reports involving a crash, injury or fatality, please see Attachment 5.
- For Request No. 2(d), information regarding reports involving a fire, please see Attachment 6.
- For Request No. 2(f), arbitration proceedings, please see Attachment 2.
- For Request No. 2(g), lawsuits, please see Attachment 2.

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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 Mercedes-Benz used for organizing the documents.*

Response to Request No. 4:

The documents requested in Request No. 4 are provided in Attachment 7 and Attachment 8. Attachment 7 contains customer complaint documents. These documents are organized according to model; each file represents a different model. Mercedes-Benz has additional legal documents that are privileged and confidential; a privilege log of those documents is provided in Attachment 8.

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 Mercedes-Benz 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) Mercedes-Benz's claim number;
- b) Vehicle owner or fleet name (and fleet contact person);
- c) Vehicle owner's address;
- d) Vehicle owner's contact telephone number(s);
- e) Model;
- f) Model year;
- g) VIN;
- h) Repair date;
- i) Vehicle mileage at time of repair;
- j) Repairing dealer's or facility's name, telephone number, city and state or ZIP code;
- k) Labor operation number;
- l) Problem code;
- m) Replacement part number(s) and description(s);
- n) Concern stated by customer;
- o) The cause and correction of the concern; and

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p) *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:

The total number of warranty claims for the subject vehicles that relate or may relate to any element of the subject system is 67,145. This is the total number of claims related to any of the eight different types of damage codes set forth in response to Request No. 6 for any of the various system components also set forth in response to Request No. 6. Attachment 9 provides warranty claim information by model year. The other available information responsive to Request No. 5 is provided in Attachments 9 and 10. Attachment 9 provides spreadsheets with detailed vehicle, repair and customer information. Attachment 10 provides a list of damage codes (as utilized in the Attachment 9 spreadsheets) and the corresponding replacement part numbers. The descriptions of the replacement part numbers can be found in the response to Request No. 6 below.

Request No. 6:

Describe in detail the search criteria used by Mercedes-Benz 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 Mercedes-Benz 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 Mercedes-Benz 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:

Mercedes-Benz used the following damage codes as search criteria to identify the warranty claims noted in the response to Request No. 5:

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Damage Code	Description
32480	Front repair kit
32505	Front Strut
32511	Rear Strut
32529	Pressure Valve Connector
32546	Valve Block
32564	Control Unit
32670	Relay
32671	Compressor

Mercedes-Benz also used the following part numbers as search criteria to identify the warranty claims noted in the response to Request No. 5:

Part Number	Description
A2203202538	Strut Repair Kit
A2113200304	Compressor
A2203200004	Compressor
A2203200104	Compressor
A2203200258	Valve Block
A2203202438	Front Strut
A220320511326	Front Strut
A2203205113	Front Strut
A2203207713	Front Strut
A2203207613	Front Strut
A2203201338	Front Strut
A2203201438	Front Strut
A2203202138	Front Strut
A2203202238	Front Strut
A2203205013	Rear Strut
A2203207913	Rear Strut
A0003270369	Pressure Valve Connector
A2203200258	Valve Block Valve
A2205450532	Control Unit, Pneumatic Suspension
A2205450732	Control Unit, Pneumatic Suspension
A2205450832	Control Unit, Pneumatic Suspension

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A2205453832	Control Unit, Pneumatic Suspension
A2205454132	Control Unit, Pneumatic Suspension
A0025421319	Relay
A002542131926	Relay
A2203200004	Compressor
A2203200104	Compressor
A2203200004	Compressor
A2203200304	Compressor

The new vehicle warranty coverage offered by Mercedes-Benz for the subject vehicles is four years or 50,000 miles, whichever occurs first. There is no extended warranty coverage for the Airmatic air suspension system.

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 Mercedes-Benz has issued to any dealers, documents or communications, with the exception of standard shop manuals. Also include the latest draft copy of any communication that Mercedes-Benz is planning to issue within the next 120 days.

Response to Request No. 7:

The information requested in Request No. 7 is provided in Attachment 11.

Please feel free to contact me if you have any questions concerning this submission.

Sincerely,



R. Latane Montague