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OFFICE OF DEFECTS
INVESTIGATION

May 6, 2008

Richard P. Boyd, Chief
Medium Heavy Duty Division
Office of Defects Investigation
1200 New Jersey Ave. SE
Washington D.C. 20590

Re: Response of Piaggio Group Americas, Inc., to NHTSA Investigation PE 08-020.

Dear Mr. Boyd:

The following is Piaggio Group Americas, Inc., response to NHTSA investigation PE 08-020. This response is complete as to the information available to this office on the date of submission. In one instance, Piaggio is asking for additional time to confirm the production date of approximately 275 VINs in the attached VIN list. In addition Piaggio is providing an Attachment CD that includes the additional material and detail requested in PE 08-020. The materials included on the Attachment CD are identified in the individual responses below.

Piaggio Group Americas, Inc. response to PE 08- 020

QUESTION No. 1: State, by model and model year the number of subject motorcycles Piaggio has manufactured for sale or lease in the United States. Separately for each subject motorcycle manufactured to date by Piaggio state the following.

- a. Motorcycle identification number (VIN)
- b. Model year
- c. Model
- d. Date of manufacturer
- e. Warranty coverage start date
- f. Original purchaser first and last name, address and telephone number.
- g. The selling dealer (business name)
- h. Selling dealer identification code.

RESPONSE TO QUESTION NO. 1: *State, by model and model year the number of subject motorcycles Piaggio has manufactured for sale or lease in the United States. Separately for each subject motorcycle manufactured to date by Piaggio state the following.*

- PGA is providing CD with various attachments. An excel file with the information noted below is supplied on this CD.
 - a. *Motorcycle identification number (VIN):*

- Please see the Attachments CD that contains a VIN list of all Moto Guzzi Norge models produced for sale in the US for the model years 2007 and 2008 YTD through an inventory date of April 30, 2008.
- b. *Model year:*
 - Model years 2007 and 2008
- c. *Model:*
 - Moto Guzzi Norge 1200.
- d. *Date of manufacture:*
 - The production dates for some VINs on this list are missing at this time. PGA expects to have the missing production dates in hand in the near future and will provide this information to NHTSA shortly.
- e. *Warranty coverage start date:*
 - The list includes the warranty start date for each VIN sold at retail to an end user customer.
- f. *Original purchaser first and last name, address and telephone number:*
 - This list includes the first and last name of the original purchaser; the purchaser's address and, where available, a telephone number.
- g. *The selling dealer (business name):*
 - This list provides the business name of the selling dealer.
- h. *Selling dealer identification code:*
 - This list provides the dealer identification code (Dealer Code) of the selling dealer.

QUESTION No. 2: State the number of each of the following, received by Piaggio, or of which Piaggio is otherwise aware, which relates to, or may relate to, the alleged defect.

- a. Consumer complaints.
- b. Field reports, including dealer filed reports.
- c. Reports involving a crash, injury or fatality, based on claims against the manufacturer involving a death or injury and/or notices received by the manufacturer alleging or proving that a death or injury was caused by a possible defect in a subject motorcycle.
- d. Property damage claims
- e. Third party arbitration proceedings where Piaggio is or was a party to the arbitration; and
- f. Lawsuits, both pending and closed, where Piaggio is or was a defendant or codefendant.

For subparts "a" through "d", state the total number of each item (consumer complaints, etc.) separately. Multiple incidents involving the same motorcycle are to be counted separately. Multiple reports of the same incident are also to be counted separately (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 Piaggio's assessment of the problem,

with a summary of the significant underlying factor 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 QUESTION NO. 2: *State the number of each of the following, received by Piaggio, or of which Piaggio is otherwise aware, which relates to, or may relate to, the alleged defect.*

- a. *Consumer complaints.*
 - NHTSA's PE08-020 and the included consumer complaint(s) were the first notice to PGA of this issue. A subsequent review of Rider Forum postings on the internet by PGA Technical Services brought additional "customer states" information regarding this issue to the attention of PGA.
- b. *Field reports, including dealer filed reports.*
 - None received.
- c. *Reports involving a crash, injury or fatality, based on claims against the manufacturer involving a death or injury and/or notices received by the manufacturer alleging or proving that a death or injury was caused by a possible defect in a subject motorcycle.*
 - None received.
- d. *Property damage claims*
 - None received.
- e. *Third party arbitration proceedings where Piaggio is or was a party to the arbitration; and*
 - None received.
- f. *Lawsuits, both pending and closed, where Piaggio is or was a defendant or codefendant.*
 - None received.

QUESTION 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:

- a. Piaggio's file number or other identifier used.
- b. The category of the item, as identified in Request No. 2
- c. Motorcycle owner name, address and telephone number
- d. Motorcycle VIN
- e. Motorcycle model year and model
- f. Motorcycle mileage at the time of the 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
- l. Number of alleged fatalities, if any.

RESPONSE TO QUESTION 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:*

- a. *Piaggio's file number or other identifier used.*
 - NA
- b. *The category of the item, as identified in Request No. 2*
 - Internet postings. Due to the nature of internet postings, the owner information, motorcycle VIN and other relevant information is often missing or, if provided, only nicknames are used. PGA has not received any official reports from dealers, where the owner and vehicle information, the exact nature, and possible contributing factors, of the alleged defect could/can be confirmed, questioned and/or further investigated.
- c. *Motorcycle owner name, address and telephone number*
 - NA
- d. *Motorcycle VIN*
 - NA
- e. *Motorcycle model year and model*
 - 2007 and 2008 model year Moto Guzzi Norge 1200 models
- f. *Motorcycle mileage at the time of the incident*
 - NA
- g. *Incident date*
 - NA
- h. *Report or claim date*
 - NA
- i. *Whether a crash is alleged*
 - NA
- j. *Whether property damage is alleged*
 - NA
- k. *Number of alleged injuries, if any*
 - NA
- l. *Number of alleged fatalities, if any.*
 - NA

QUESTION No. 4: Produce copies of all documents related to each item within the scope of Request No. 2. Organize the documents separately by category and describe the method Piaggio used for organizing the documents.

RESPONSE TO QUESTION No. 4: *Produce copies of all documents related to each item within the scope of Request No. 2. Organize the documents separately by category and describe the method Piaggio used for organizing the documents.*

- NA

QUESTION 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 Piaggio to date that relate to, or may relate to, the alleged defect: warranty claims, extended warranty claims, claims for good will services that were provided; field, zone, or similar adjustments and reimbursement (including buy backs) and warranty claims or repairs made in accordance with a procedure specified in a technical service bulletin or customer satisfaction campaign.

Separately, for each claim, state the following information:

- a. Piaggio claim number
- b. Motorcycle owner and telephone number
- c. VIN
- d. Motorcycle sale date
- e. Repair date
- f. Motorcycle mileage at the time of repair
- g. Repairing dealer (business name and/or dealer code)
- h. The causal part number
- i. The part/labor code
- j. The part/labor description
- k. The symptom code
- l. The fault code
- m. Customer's description of the problem or concern
- n. Notes, if any, by dealer/technician relating to the claim and/or repair.

In addition to the total counts requested above, provide Piaggio's assessment, by model and model year, of the number of claims within each of the counts given that relate to, or may relate to, the alleged defect.

RESPONSE TO QUESTION 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 Piaggio to date that relate to, or may relate to, the alleged defect: warranty claims, extended warranty claims, claims for good will services that were provided; field, zone, or similar adjustments and reimbursement (including buy backs) and warranty claims or repairs made in accordance with a procedure specified in a technical service bulletin or customer satisfaction campaign.*

- For the 2007 and 2008 Moto Guzzi Norge models sold in the US, only one claim has been received, to date, concerning this issue and/or alleged defect. This claim was entered after the dealers were notified of the potential problem in the subject area and was requesting compensation for the dealer applying a protection cover for the power wire to the headlight low beam during the set up and PDI of a Norge, prior to delivery to the customer. This work was to prevent the possibility of the wearing and shorting to occur, not to repair existing damage. Please see the attachment CD that contains the details of this claim.
- Outside of the US, 8 warranty claims, from approximately 1,800 examples of the Norge model in operation with retail customers, have been received by Moto Guzzi for topics concerning short circuit wiring. Checking claim details confirms

that the warranties for short circuit issues are not related to the issues described in this inquiry.

Separately, for each claim, state the following information:

- a. Piaggio claim number:*
 - b. Motorcycle owner and telephone number*
 - c. VIN*
 - d. Motorcycle sale date:*
 - e. Repair date:*
 - f. Motorcycle mileage at the time of repair:*
 - g. Repairing dealer (business name and/or dealer code):*
 - h. The causal part number:*
 - i. The part/labor code:*
 - j. The part/labor description*
 - k. The symptom code:*
 - l. The fault code:*
 - m. Customer's description of the problem or concern:*
 - n. Notes, if any, by dealer/technician relating to the claim and/or repair.*
- In the US, the lack of claims received for issues regarding the headlight low beam wire shorting to the bulb holder issue, is due to low instance of Moto Guzzi Norge 1200 customers bringing their bikes to the dealer for the repair of this issue. This situation is one where the power wire to the headlight low beam, wears, overtime, against the bulb holder for the low beam. Once worn through the wire shorts out against the bulb holder, blowing the main fuse for the motorcycle electrics and the motorcycle stops. Virtually all of the failures of this nature that PGA is aware of, as reported in the internet postings, happened with the motorcycle away from the owner's home. As such the repairs were made at the roadside, and not brought to an authorized Moto Guzzi dealer for repairs. These home remedies prevented Moto Guzzi dealers from properly documenting this issue and in doing so, notifying PGA of the existence of this issue as well as the numbers involved.

QUESTION No. 6: Describe the search criteria used by Piaggio to identify the claims identified in response to question number 5, including the labor operations, problem codes, part numbers and other pertinent parameters used. Provide a list of all operations, labor operations descriptions, problem codes, problem code descriptions and/or other codes applicable to the subject components and/or the alleged defect.

RESPONSE TO QUESTION No. 6:

Describe in detail the search criteria used by Piaggio to identify the claims identified in response to Request No. 5 including the labor operation, problem codes, part numbers and any other pertinent parameter used. Provide a list of all operations, labor operations descriptions, problem codes, problem code descriptions and/or other codes applicable to the subject components and/or the alleged defect.

- PGA looked into warranty records for warranty claims that had been authorized and were awaiting payment as well as claims that were completed and paid. Only claims within the time period the subject model has been available in the US market were researched. Each claim was highlighted to determine what area/part/concern was being addressed by the claim. Claims without sufficient detail in the claim overview, were opened to see the claim detail. Of these claims, one claim was found that addressed the concern described in PE08-020.

QUESTION No. 7: State by model year, the terms of the new motorcycle warranty coverage offered by Piaggio on the subject motorcycles (number of months, mileage) for which coverage is provided and the motorcycle systems that are covered). Describe any extended warranty coverage option(s) that Piaggio offered for the subject motorcycles and state by option, model, and model year, the number of motorcycles that are covered under each such extended warranty.

RESPONSE TO QUESTION No. 7: *State by model year, the terms of the new motorcycle warranty coverage offered by Piaggio on the subject motorcycles (number of months, mileage) for which coverage is provided and the motorcycle systems that are covered). Describe any extended warranty coverage option(s) that Piaggio offered for the subject motorcycles and state by option, model, and model year, the number of motorcycles that are covered under each such extended warranty.*

- The new vehicle limited warranty covering the 2007 and 2008 model year Moto Guzzi Norge 1200 model is 24 months without mileage limitations. This warranty covers defects in material and workmanship. An additional warranty is provided for emissions control systems. No extended warranty is offered by PGA for this model.

QUESTION No. 8: Produce copies of all service, warranty and other documents that relate to, or may relate to, the alleged defect and or a subject component, that Piaggio has provided to any dealers, regional, or zone offices, field offices, fleet purchasers, customers 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. This also includes any material related to before –sale motorcycle preparation at the dealer location. Also include the latest draft copy of any communication that Piaggio is planning to issue within the next 120 days.

RESPONSE TO QUESTION 8: *Produce copies of all service, warranty and other documents that relate to, or may relate to, the alleged defect and or a subject component, that Piaggio has provided to any dealers, regional, or zone offices, field offices, fleet purchasers, customers 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. This also includes any material related to before –sale motorcycle preparation at the dealer location. Also*

include the latest draft copy of any communication that Piaggio is planning to issue within the next 120 days.

- To date, the only documents produced relating to the alleged defect is the “Product Failure Report” prepared by PGA and forwarded to Moto Guzzi. A copy of this report is included on the Attachments CD. This is standard procedure between PGA and Moto Guzzi Italy in documenting issues discovered in this manner.
- Follow up with Moto Guzzi Italy on this point is current with the following plan of action being formalized and implemented.

Point 1) Moto Guzzi Italy has approved the suggestion of PGA to install a protective covering over the power wire to the headlight low beam. This protection will:

- Prevent direct contact between the power wire and the bulb holder.
- Eliminate the possibility of wearing through the insulation.
- Prevent an electrical short to ground, the blowing of the motorcycle’s main fuse and the stalling of the engine.

This protective covering is further described in the Product Failure Report, a copy of which is provided in the Attachments CD. The parts and installation of this protective covering will be described in a Service Communication to the dealers. This communication will describe how this protective covering is to be installed on all new Norge models as part of the set up and PDI of the motorcycle before delivery to the retail customer. In addition, this communication will ask that each Norge, already in the hands of a retail customer, be updated in this fashion at the next service, or at the next opportunity when the vehicle is in the workshop. This communication will ask the dealers to contact their individual Norge customers, asking them to bring their motorcycles to the dealer at the earliest opportunity, for this update. A draft copy on this Service Communication will be provided ODI as it is completed.

QUESTION No. 9: 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, that have been conducted, are being conducted, are planned or are being planned by, or for, Piaggio. 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 the objective of the action
- e. Engineering group(s)/supplier(s) response 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 actions, regardless of whether the documents are in interim draft or final form. Organize the documents chronologically by action.

RESPONSE TO QUESTION No. 9: *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, that have been conducted, are being conducted, are planned or are being planned by, or for, Piaggio.*

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 the objective of the action*
- e. Engineering group(s)/supplier(s) response 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 actions, regardless of whether the documents are in interim draft or final form. Organize the documents chronologically by action.

- With notification of the alleged defect and stalling experienced by Norge 1200 customers, PGA Technical Service, analyzed what was happening and, as part of the Product Failure Report, provided Moto Guzzi Italy with a suggested solution. Pictures detailing this solution are included with the Product Failure Report in the attachments. As indicated in Question Number 8, this solution could be provided to the dealers quickly and is one that could be implemented on vehicles in dealer stock and on customer vehicles as they cycle through the dealer's workshop.

QUESTION No. 10: Describe all modifications or changes made by, or on behalf of, Piaggio in the design, material composition, manufacturer, quality control, supply, or installation of a 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 motorcycle production
- b. A detailed description of the modification or change.
- c. The reason for the modification or change
- d. The part numbers (service and engineering) of the modified component
- e. The original component supplier (corporate name and address)
- f. The part number (service and engineering) of the modified component
- g. The modified component supplier (corporate name and address)
- h. Whether the original unmodified component was withdrawn from production and/or sale and if so, when.

- i. When the modified component was made available as a service component;
and

Whether the modified component can be interchanged with the earlier components.

RESPONSE TO QUESTION No. 10: *Describe all modifications or changes made by, or on behalf of, Piaggio in the design, material composition, manufacturer, quality control, supply, or installation of a 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 motorcycle production*
- b. *A detailed description of the modification or change.*
- c. *The reason for the modification or change*
- d. *The part numbers (service and engineering) of the modified component*
- e. *The original component supplier (corporate name and address)*
- f. *The part number (service and engineering) of the modified component*
- g. *The modified component supplier (corporate name and address)*
- h. *Whether the original unmodified component was withdrawn from production and/or sale and if so, when.*
- i. *When the modified component was made available as a service component;
and*

Whether the modified component can be interchanged with the earlier components.

- No changes have been made at this time. PGA will notify NHTSA of changes affecting, or related, to the alleged defect as information on any changes becomes available.

QUESTION No. 11: *Furnish Piaggio's assessment of the alleged defect, including:*

- j. *The causal or contributory factor(s)*
- k. *The failure mechanism*
- l. *The failure mode*
- m. *The risk to motor vehicle safety that it poses*
- n. *What warnings, if any, a motorcycle owner would have that the alleged defect was about to occur*

The attached owner's reports prompting this inquiry.

RESPONSE TO QUESTION No. 11: *Furnish Piaggio's assessment of the alleged defect, including:*

- a. *The causal or contributory factor(s)*
- b. *The failure mechanism*
- c. *The failure mode*
- d. *The risk to motor vehicle safety that it poses*
- e. *What warnings, if any, a motorcycle owner would have that the alleged defect was about to occur.*
- f. *The attached owner's reports prompting this inquiry.*

The H3 low beam headlight bulb chosen for the Moto Guzzi Norge 1200, in both model years 2007 and 2008 YTD, includes a wiring "pig tail" that is attached to the bulb itself at an approximate right angle. This is the power wire to the headlight low beam and, together with the fuse, is on the motorcycle's main wiring circuit.

The power wire for the low beam, being at an approximate right angle to the bulb, allows for the possibility of contact between the power wire and the bulb mount. Due to the mass production aspect of the low beam bulb, there are differences between individual low beam bulbs regarding the angle of the power wire as it leaves the bulb. Bulbs with the power wire attached at a sharper angle may allow the power wire to contact the bulb holder that retains the low beam bulb in the headlight shell. Bulbs with the power wire attached at a wider angle may have additional clearance at the bulb holder and less possibility for contact.


Overtime, and together with the vibration of the motorcycle in operation, if there is contact between the power wire and the bulb holder, the wire may wear through its insulation, causing an electrical short that blows the main fuse for the motorcycle's electrical system.

When the main fuse blows, the motorcycle will not start or if running at the time the fuse blows, will stop running. If the motorcycle stops running in this fashion, there would be no warning to the rider and depending on the riding situation the rider finds himself in at the time of the electrical short, there may be a risk to the rider's safety.

The owner's reports that accompanied PE8-020 describe the situation as we know it today. As a complete VIN was not provided, PGA was not able to follow up with either the selling/servicing dealer, or the customer, to see if there were outside factors (installation of aftermarket accessories, etc.) that may have contributed to the electrical short that caused the main fuse to blow.

We trust that this response adequately responds to your inquiry. However, should you have any additional questions or wish to further discuss any issues in relation to PE 08-020, please feel free to contact me directly.

Best regards,
Piaggio Group Americas, Inc.



Patrick Raymond
Director Aftersales

Enclosures.