VOLKSWAGEN

GROUP OF AMERICA

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June 23, 2008 DATE

VOLKSWAGEN GROUP OF AMERICA, INC

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Subject: PE08-027 NVS-213.swmc; Fuel Pump Assembly Failure Resulting in Engine Stall

Dear Ms. Demeter:

Please find attached Volkswagen's response to PE08-027 regarding fuel pumps assemblies on certain Audi A4 vehicles. Pursuant to a phone conversation with Mr. Jeff Quandt on June 23, 2008 Volkswagen is providing responses to request 1-6.

Thank you for your consideration in granting our requested extension to July 14, 2008.

Volkswagen is also attaching failure rate analysis graphs for your review.

Please contact me if you have any questions regarding this response.

Regards,

CHRISTOPHER T. SANDVIG

FOR:

Falk Beil

Executive Vice President Group Quality and Service

Attachments

Request 1.

State, by recall status and model year, the number of subject and peer vehicles Volkswagen has manufactured for sale or lease in the United States. Separately, for each subject and peer vehicle manufactured to date by Volkswagen, state the following:

- a. Vehicle identification number (VIN);
- b. Model;
- c. Model Year:
- d. Whether the vehicle was included in the scope of Safety Recall 06V-017 (y/n);
- e. Whether the vehicle was included in the scope of Safety Recall 07V-375 (y/n);
- f. Date of manufacture:
- g. Date warranty coverage commenced; and
- h. 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 which provides further details regarding this submission.

Response 1.

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

Subject Vehicles (MY 2004)	Engine	Recall Status (MY 2004)	Population (MY 2004)
AUDI A4 / Cabrio (FWD)	1.8L	NO	11,367
AUDI A4 / Avant (QUATTRO)	1.8L	NO	19,642
AUDI A4 / Cabrio (FWD)	3.0L	NO	1,859
AUDI A4 / Avant / Cabrio (QUATTRO)	3.0L	NO	8,722
AUDI S4 / Avant / Cabrio (QUATTRO)	4.2L	NO	5,322

Peer Vehicles (MY 2003)	Engine	Recall Status (MY 2003)	Population (MY 2003)
AUDI A4 / Avant (QUATTRO)	1.8L	YES	20,024
AUDI A4 / Avant (QUATTRO)	3.0L	YES	8,146
AUDI A4 / Cabrio (FWD)	1.8L	NO	9,933
AUDI A4 / Avant (QUATTRO)	1.8L	NO	2,919
AUDI A4 / Cabrio (FWD)	3.0L	NO	5,219
AUDI A4 / Avant (QUATTRO)	3.0L	NO	1,477

Peer Vehicles (MY 2005)	Engine	Recall Status (MY 2005)	Population (MY 2005)
AUDI A4 / Cabrio (FWD)	1.8L	NO	8,288
AUDI A4 / Avant (QUATTRO)	1.8L	NO	11,386
AUDI A4 (FWD)	2.0T	NO	3,260
AUDI A4 / Avant (QUATTRO)	2.0T	NO	9,235
AUDI A4 / Cabrio (FWD)	3.0L	NO	1,077
AUDI A4 / Avant / Cabrio (QUATTRO)	3.0L	NO	5,439
AUDI A4 / Avant (QUATTRO)	3.2L	NO	2,772
AUDI S4 / Avant / Cabrio (QUATTRO)	4.2L	NO	6,076

^{*(}FWD)-Front Wheel Drive, (QUATTRO)-All Wheel Drive

Our response to this request including subparagraphs a. through h. 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

PRODUCTION DATA

Data is provided in Microsoft Access format on PE08-027 Data Collection Disc

State the number of each of the following, received by Volkswagen, or of which Volkswagen is otherwise aware, which relate to, or may relate to, the alleged defect in the subject or 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. 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 defect in a subject vehicle, property damage claims, consumer complaints, or field reports;
- e. Property damage claims; and
- f. Third-party arbitration proceedings where Volkswagen is or was a party to the arbitration; and
- g. Lawsuits, both pending and closed, in which Volkswagen 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 Volkswagen'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 2

- a. In response to your inquiry, Volkswagen has identified 21 Consumer complaints from 20 unique vehicles which relate to the alleged defect in the MY 2004 subject vehicles. Volkswagen notes that 2 of the consumer complaints are duplicative of the provided VOQs. Volkswagen has identified 372 Consumer complaints from 369 unique MY 2003 vehicles and 17 Consumer complaints from 14 unique MY 2005 vehicles which relate to the alleged defect in the peer vehicles.
 - Volkswagen is also providing copies of complaints in which the allegations are not clearly specified and Volkswagen is unable to determine if they may or may not be related to the alleged defect in the subject or peer vehicles.
- b. In response to your inquiry, Volkswagen has identified 1 unique field report which relates to the alleged defect in the MY 2004 subject vehicles. Volkswagen has identified 1 field report which is duplicative of a consumer complaint case in the MY 2003 and 3 field reports, one of which is duplicative of a consumer complaint in the MY 2005 which relate to the alleged defect in the peer vehicles.

Volkswagen is also providing a copy of a field report in which the allegation is not clearly specified and Volkswagen is unable to determine if it may or may not be related to the alleged defect in the peer vehicles.

- c. In response to your inquiry, Volkswagen has identified 2 Consumer complaints alleging a crash which relate or may relate to the alleged defect in the MY 2003 peer vehicles. Volkswagen notes our engineer's inspection of Case Number 60135957 alleging fuel pump failure resulting in a vehicle crash, revealed no evidence of any manufacturing defect. Due to the fact that Volkswagen was unable to inspect Case Number 70330405 vehicle, Volkswagen is unable to determine if the alleged vehicle crash is a result of the failure of the fuel pump. Volkswagen is providing copies of these incidents which include copies of these reports. Volkswagen did not identify any reports of 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 the subject or peer vehicle, property damage claims, consumer complaints, or field reports.
- d. In response to your inquiry, Volkswagen did not identify any 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 defect in the subject or peer vehicle, property damage claims, consumer complaints, or field reports.
- e. In response to your inquiry, Volkswagen did not identify any property damage claims.
- f. In response to your inquiry, Volkswagen did not identify any third party arbitration proceedings where Volkswagen is or was a party to the arbitration.
- g. In response to your inquiry, Volkswagen has identified 2 unique breach of warranty lawsuits which relate to the alleged defect in the MY 2004 subject vehicles in which Volkswagen is or was a defendant or codefendant. Volkswagen has identified 3 breach of warranty lawsuits, one of which is duplicative of a consumer complaint case related to the alleged defect in the MY 2003 peer vehicles in which Volkswagen is or was a defendant or codefendant. Volkswagen has identified 1 subrogation claim which is duplicative of a consumer complaint case alleging a crash related to the alleged defect in the MY 2003 peer vehicles in which Volkswagen is or was a defendant or codefendant.

In response to the additional request for items c. through g., Volkswagen has not attempted to summarize the reports, but is submitting the entire report including all available information for the agency's review.

Source: LISTEN, PL, FRED, TACS

Date Gathered: Through the date of the inquiry

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. Volkswagen'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 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;
- i. Whether a fire is alleged;
- k. Whether property damage is alleged;
- I. 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 which provides further details regarding this submission.

Response 3

Responses to subparagraphs a. through m. are provided in the 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

REQUEST NUMBER TWO DATA

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NON-SPECIFIC NUMBER TWO DATA

Data is provided in Microsoft Excel format in the REQUEST NUMBER TWO DATA folder on PE08-027 Data Collection Disc

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 Volkswagen 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 report does not contain sufficient information for Volkswagen to determine if they may or may not be related to the alleged defect in the subject or peer vehicles. Information on these reports 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

REQUEST NUMBER FOUR DATA

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NON-SPECIFIC NUMBER FOUR DATA

Data is provided in Adobe Acrobat format in the REQUEST NUMBER FOUR folder on PE08-027 Data Collection Disc

State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by Volkswagen to date that relate to, or may relate to, the alleged defect in the subject and 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. Do not include claims related to completion of remedies for Safety Recalls 06V-017 and 07V-375.

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

- a. Volkswagen'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;
- Replacement part number(s) and description(s);
- i. Concern stated by customer;
- k. Cause and correction of concern; and
- I. 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." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

Response 5

In response to this inquiry, Volkswagen has identified 271 warranty claims which have been paid by Volkswagen to date which relate to the alleged defect in the MY 2004 subject vehicles. Volkswagen notes that 4 of these claims are duplicative of consumer complaint cases. Volkswagen has identified 1307 warranty claims on 1301 unique vehicles which have been paid by Volkswagen to date which relate to the alleged defect in the MY 2003 peer vehicles. Volkswagen notes that 34 of these claims are duplicative of consumer complaint cases and two are duplicative of breach of warranty lawsuits. Volkswagen has identified 54 warranty claims which have been paid by Volkswagen to date which relate to the alleged defect in the MY 2005 peer vehicles. Volkswagen notes that 2 of these claims are duplicative of consumer complaint cases.

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 defect in the subject or peer vehicles.

Volkswagen notes that our response to this request is provided in Microsoft Excel / Adobe Acrobat 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 inquiry

WARRANTY DATA

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NON-SPECIFIC WARRANTY DATA

Data is provided in Microsoft Excel format in the REQUEST NUMBER FIVE DATA folder on PE08-027 Data Collection Disc

Describe in detail the search criteria used by Volkswagen 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 model year, the terms of the new vehicle warranty coverage offered by Volkswagen on the subject and peer 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 Volkswagen offered for the subject and peer 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 paid warranty claims in response to request number five.

1. Model year 2003-2005 Audi A4/S4 Sedan / Avant / Cabrio subject or peer vehicles manufactured for sale or lease in the United States.

AND

2. All warranty claims containing the following subject part numbers:

8E0906087% 8E0919051% %-wild card

Volkswagen notes that the standard Labor Operation Number associated with removal and installation of the fuel pump assembly is 20661900.

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 or peer vehicles. The following overviews these findings:

10-Mechanical Defect

11-Incorrectly Adjusted

15-Broken, Cracked, Torn

16-Inefeective

17-Binding

20-Noisy

26-Wiring Node

40-Electrical Defect

50-Leaking

88-Vehicle towed in to Dealership

Volkswagen notes that when entering a warranty claim dealership service personnel may not consistently use the appropriate Damage Code, Part Identifier and/or Causal Part information.

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
2003-2005	4 Years / 50,000 Miles: Audi A4/S4 Sedan / Avant / Cabrio	Bumper to Bumper

Volkswagen offers a 2 year / 24,000 mile extended bumper to bumper warranty for Certified Preowned Vehicles

Volkswagen has not offered any other extended warranty options covering the subject component on the subject or peer vehicles.

Source: VWGoA

Date Gathered: Through the date of the updated inquiry

Attached you will find failure rate analysis graphs for your review. Volkswagen notes that the graphs are provided in Microsoft PowerPoint format in the NUMBER SIX DATA folder attached hereto as Exhibit 6.

Exhibit 6

FAILURE RATE ANALYSIS GRAPHS

Graphs are provided in Microsoft PowerPoint format in the NUMBER SIX DATA folder on PE08-027 Data Collection Disc