



U.S. Department  
of Transportation

**National Highway  
Traffic Safety  
Administration**

## ODI RESUME

**Investigation:** AQ 09-002  
**Prompted by:** 08V179, 08V298, 08V539, 08V098  
**Date Opened:** 12/17/2009 **Date Closed:** 10/12/2018  
**Investigator:** Jennifer Timian  
**Approver:** Stephen Ridella  
**Subject:** Monaco RV Recalls Responsibility

### MANUFACTURER & PRODUCT INFORMATION

**Manufacturer:** MONACO COACH CORPORATION  
**Products:** VARIOUS MODELS AND MODEL YEARS 2006-08 MONACO VEHICLES  
**Population:** 1,493  
**Problem Description:** NAVISTAR, CURRENT OWNER OF MONACO COACH AND RV, REFUSED TO SERVICE PRIOR RECALLS ANNOUNCED PRIOR TO NAVISTAR ACQUIRING MONACO'S ASSETS.

### ACTION / SUMMARY INFORMATION

**Action:** Close AQ

**Summary:**

NHTSA opened this investigation to review issues in connection with recalls initiated by Monaco Coach Corporation (Monaco Coach), which later filed bankruptcy. Navistar, Inc. (Navistar) purchased assets of the bankrupt Monaco Coach and disclaimed responsibility for the Monaco Coach recalls.

Since the time this investigation was opened, the law has substantially changed to better ensure that consumers are protected from safety defects or noncompliances in a bankrupt manufacturer's products. These legal changes address the underlying concerns that led to agency to open this investigation. Specially, Congress twice amended the National Traffic and Motor Vehicle Safety Act of 1966 (Safety Act) to address recall obligations in connection with a bankruptcy. Section 31313 of the MAP-21 Act added a new section 30120A to Chapter 301 of Title 49, United States Code, which specifies that a manufacturer's filing of a Chapter 11 bankruptcy petition "does not negate the manufacturer's duty" to comply with specified provisions of the Safety Act, including the recall provisions in 49 U.S.C. §§ 30118-30120. Section 24106 of the FAST Act expanded the scope of this new provision to also cover Chapter 7 bankruptcies. Pursuant to these amendments, the Safety Act specifies that a manufacturer's recall obligations "shall be treated as a claim of the United States Government against such manufacturer . . . , and given priority." In 2013, NHTSA also amended its regulation on safety recalls to add a new section 49 C.F.R. § 573.16 that requires a manufacturer to report filing of a Chapter 11 bankruptcy petition to the agency within 5 working days. This requirement better enables NHTSA to assert claims in bankruptcy proceedings and otherwise work to proactively resolve issues in connection with a manufacturer's bankruptcy.

This investigation is closed.