



U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

1200 New Jersey Avenue SE.
Washington, DC 20590

NOV 25 2009

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Richard Van Laar
Manager, Product Compliance
Navistar Inc.
3033 Wayne Trace
P.O. Box 10088
Fort Wayne, IN 46850-0088

NVS-214-sjm
PE09-053

Dear Mr. Van Laar:

As you are aware, on November 9, 2009, the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) opened a Preliminary Evaluation (PE09-053) to investigate allegations of school bus fires due to the parking brake cable abrading against several electrical cables under the body of Model Year (MY) 2004 CE school buses manufactured by IC Corporation.

ODI has obtained eight reported incidents from school districts alleging that their bus(s) have chaffing occurring between the parking brake cable and the battery main feed cables routed under the bus. ODI has verified this condition and currently believes that this chaffing would not be observed during routine maintenance. One fleet reported two fires resulting from the emergency brake cable becoming energized when the positive battery cable rubbed through the emergency brake cable's protective sheathing. Reportedly, the emergency brake cable was "glowing red." This led to an engine shut-down (i.e. stalled vehicle.) ODI is always concerned about thermal events and stalled buses loaded with children, being stranded on the highway or in dangerous locations such as intersection, railroad crossing, or on busy streets, etc. The vehicles involved have been discussed with a member of your staff.

To fully evaluate this issue, certain information is requested from IC.

Unless otherwise stated in the text, the following definitions apply to these information requests:

- **Subject vehicles:** All MY 2004 IC Corporation, CE style school buses manufactured for sale or lease in the United States.



- **Navistar:** Navistar Inc. (formerly known as Navistar Truck and Engine Corporation and IC bus Corporation), all of its past and present officers and employees, whether assigned to its principal offices or any of its field or other locations, including all of its divisions, subsidiaries (whether or not incorporated) and affiliated enterprises and all of their headquarters, regional, zone and other offices and their employees, and all agents, contractors, consultants, attorneys and law firms and other persons engaged directly or indirectly (e.g., employee of a consultant) by or under the control of **Navistar** (including all business units and persons previously referred to), who are or, in or after 2002, were involved in any way with any of the following related to the alleged defect in the subject vehicles:
 - a. Design, engineering, analysis, modification or production (e.g. quality control);
 - b. Testing, assessment or evaluation;
 - c. Consideration, or recognition of potential or actual defects, reporting, record-keeping and information management, (e.g., complaints, field reports, warranty information, part sales), analysis, claims, or lawsuits; or
 - d. Communication to, from or intended for zone representatives, fleets, dealers, or other field locations, including but not limited to people who have the capacity to obtain information from dealers.

Alleged defect: Any interference or rubbing between the parking brake cable and the power feed cables connecting from the battery box and carrying current to the starter or any other connection, that results in or may result in a shorted electrical cable or burned brake cable leading to a thermal event or a stalled vehicle.

- **Document:** "Document(s)" is used in the broadest sense of the word and shall mean all original written, printed, typed, recorded, or graphic matter whatsoever, however produced or reproduced, of every kind, nature, and description, and all non-identical copies of both sides thereof, including, but not limited to, papers, letters, memoranda, correspondence, communications, electronic mail (e-mail) messages (existing in hard copy and/or in electronic storage), faxes, mailgrams, telegrams, cables, telex messages, notes, annotations, working papers, drafts, minutes, records, audio and video recordings, data, databases, other information bases, summaries, charts, tables, graphics, other visual displays, photographs, statements, interviews, opinions, reports, newspaper articles, studies, analyses, evaluations, interpretations, contracts, agreements, jottings, agendas, bulletins, notices, announcements, instructions, blueprints, drawings, as-builts, changes, manuals, publications, work schedules, journals, statistical data, desk, portable and computer calendars, appointment books, diaries, travel reports, lists, tabulations, computer printouts, data processing program libraries, data processing inputs and outputs, microfilms, microfiches, statements for services, resolutions, financial statements, governmental records, business records, personnel records, work orders, pleadings, discovery in any form, affidavits, motions, responses to discovery, all transcripts, administrative filings and all mechanical, magnetic, photographic and electronic records or recordings of any kind, including any storage media associated with computers, including, but not limited to, information on hard drives, floppy disks, backup tapes, and zip drives, electronic communications, including but not limited to, the Internet and shall include any drafts or revisions pertaining to any of the foregoing, all other things similar

to any of the foregoing, however denominated by Navistar, any other data compilations from which information can be obtained, translated if necessary, into a usable form and any other documents. For purposes of this request, any document, which contains any note, comment, addition, deletion, insertion, annotation, or otherwise comprises a non-identical copy of another document shall be treated as a separate document subject to production. In all cases where original and any non-identical copies are not available, "document(s)" also means any identical copies of the original and all non-identical copies thereof. Any document, record, graph, chart, film or photograph originally produced in color must be provided in color. Furnish all documents whether verified by Navistar or not. If a document is not in the English language, provide both the original document and an English translation of the document.

- **Other Terms:** To the extent that they are used in these information requests, the terms "claim," "consumer complaint," "dealer field report," "field report," "fire," "fleet," "good will," "make," "model," "model year," "notice," "property damage," "property damage claim," "rollover," "type," "warranty," "warranty adjustment," and "warranty claim," whether used in singular or in plural form, have the same meaning as found in 49 CFR 579.4.

In order for my staff to evaluate the alleged defect, certain information is required. Pursuant to 49 U.S.C. § 30166, please provide numbered responses to the following information requests. Insofar as Navistar *has* previously provided a document to ODI, Navistar may produce it again or identify the document, the document submission to ODI in which it was included and the precise location in that submission where the document is located. When documents are produced, the documents shall be produced in an identified, organized manner that corresponds with the organization of this information request letter (including all individual requests and subparts). When documents are produced and the documents would not, standing alone, be self-explanatory, the production of documents shall be supplemented and accompanied by explanation.

Please repeat the applicable request verbatim above each response. After Navistar's response to each request, identify the source of the information and indicate the last date the information was gathered.

NHTSA requests that Navistar provide two hard copies, including hard copies of all attachments, and also provide a copy of its response in Microsoft Word format on a CD.

1. State, by model year, model and engine, the number of subject vehicles Navistar has manufactured for sale or lease in the United States. Provide the table in Microsoft Access 2000, or a compatible format, entitled "PRODUCTION DATA."
2. State, by model year, and model, the total number of each of the following, received by Navistar, or of which Navistar is otherwise aware, which relate to, or may relate to, the alleged defect in the subject vehicles. Provide a copy of each such claim:
 - 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;
- e. Third-party arbitration proceedings where Navistar is or was a party to the arbitration; and
- f. Lawsuits, both pending and closed, in which Navistar 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 "f," provide a summary description of the alleged problem and causal and contributing factors and Navistar's assessment of the problem, with a summary of the significant underlying facts 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.

3. Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 2, and including the two thermal events that ODI is aware of, state the following information:
 - a. Navistar'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 make, model, model year, and engine;
 - f. Vehicle's mileage at time of incident;
 - g. Incident date;
 - h. Report or claim date;
 - i. Whether a vehicle stalled is alleged or a thermal event;
 - j. Whether property damage is alleged and the extent of the event;
 - k. Number of alleged injuries, if any;
 - l. Number of alleged fatalities, if any;
 - m. Summary description of the complaints; and,
 - n. Navistar's opinion/assessment of the incidents. Provide a copy of the claim or repair order, any/all field reports and any documents related to or produced by Navistar during their evaluation of this issue.

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

4. Produce copies of all documents related to each item within the scope of Request No. 2. If Navistar has a field reports concerning the eight alleged events, please provide a copy of such report. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) and describe the method Navistar used for organizing the documents. *Indicate whether or not Navistar concurs with each of the claims.*
5. State, by model year, model and engine, a total count for all of the following categories of claims, collectively, that have been paid by Navistar to date that relate to, or may relate to, the alleged defect in the subject vehicle
 - a. Warranty claims;
 - b. Extended warranty claims;
 - c. Claims for good will services that were provided;
 - d. Field, zone, or similar adjustments and reimbursements; and
 - e. 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 documentation/information:

- a. Navistar's claim number;
- b. Vehicle owner or fleet name (and fleet contact person) and telephone number;
- c. VIN; Repair date;
- d. Vehicle mileage at time of repair;
- e. Repairing dealer or facility's name, telephone number, city and state or ZIP code;
- f. Labor operation number;
- g. Problem code;
- h. Replacement part number(s) and description(s);
- i. Concern stated by customer;
- j. The extent of the shorted circuit and identify what circuit was affected;
- k. Provide a copy of any document including the claim or repair order;
- l. Comment, if any, by dealer/technician relating to claim and/or repair; and
- m. Navistar's assessment as to what caused the issue.

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

Describe in detail the search criteria used by Navistar to identify the claims identified in response to Request No. 2 and 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 Navistar 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 Navistar 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.

7. Describe how Navistar first became aware of the alleged defect and state the date on which Navistar first became aware of the possibility of the alleged defect. Provide a detailed **chronology** of all known thermal events regarding the subject defect, starting from the time Navistar first became aware of this issue to present. Include all information and provide a copy of any document used at any internal/external meeting(s), meetings with the part supplier, or other manufacturers.
8. Provide a complete schematic/drawing depicting the routing for the battery cables/electrical wiring coming from the battery box to the starter, and the parking brake cable routing. Provide a drawing depicting the correct location of any/all attaching points, such as cable clamps, wire ties and wire clamps. Explain how the prior year buses and the post year buses routing differ from the subject buses with respect to the cable/wiring routings.
9. Produce copies of any/all service bulletins, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject vehicles, that Navistar has issued to any dealers, regional or zone offices, field offices, fleet purchasers, 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. Also include the latest draft copy of any communication that Navistar is planning to issue within the next 120 days. For each such document provide in responding to this question, provide a detail explanation as to what precipitated the issuance of the service bulletin/document and its relevancy to the alleged defect.
10. 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 in the subject vehicles that have been conducted, are being conducted, are planned, or are being planned by, or for, Navistar. 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 objective of the action;
 - e. Engineering group(s)/supplier(s) responsible 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 action, regardless of whether the documents are in interim, draft, or final form. Organize the documents chronologically by action.

11. Describe all modifications or changes made by, or on behalf of, Navistar in the design, material composition, manufacture, quality control, supply, or cable/ harness assembly/subject component, from the start of production to date, which relate to, or may relate to, the alleged defect in the subject vehicles. 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 vehicle production;
- b. A detailed description of the modification or change;
- c. The reason(s) for the modification or change;
- d. The part numbers (service and engineering) of the original component;
- e. The part number (service and engineering) of the modified component;
- f. Whether the original unmodified component was withdrawn from production and/or sale, and if so, when;
- g. When the modified component was made available as a service component; and
- h. Whether the modified component can be interchanged with earlier production components.

Also, provide the above information for any modification or change that Navistar is aware of which may be incorporated into vehicle production within the next 120 days.

12. Furnish Navistar's assessment of the alleged defect in the subject vehicle, including:

- a. The causal or contributory factor(s);
- b. The failure mechanism(s);
- c. The failure mode(s);
- d. The risk to motor vehicle safety that it poses;
- e. What warnings, if any, the operator and the other persons both inside and outside the vehicle would have that the alleged defect was occurring or subject component was malfunctioning; and
- f. Separately, each report that has been reported to Navistar.

13. Identify what action Navistar intends to take in this matter.

This letter is being sent to Navistar pursuant to 49 U.S.C. § 30166, which authorizes NHTSA to conduct any investigation that may be necessary to enforce Chapter 301 of Title 49 and to request reports and the production of things. It constitutes a new request for information. Navistar's failure to respond promptly and fully to this letter could subject Navistar to civil penalties pursuant to 49 U.S.C. § 30165 or lead to an action for injunctive relief pursuant to 49 U.S.C. § 30163. (Other remedies and sanctions are available as well.) Please note that maximum civil penalties under 49 U.S.C. § 30165 have increased as a result of the recent enactment of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, Public Law No. 106-414 (signed November 1, 2000). Section 5(a) of the TREAD Act, codified at 49 U.S.C. § 30165(b), provides for civil penalties of up to \$5,000 per day, with a maximum of \$15 million for a related series of violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. This includes failing to respond to ODI information requests.

If Navistar cannot respond to any specific request or subpart(s) thereof, please state the reason why it is unable to do so. If on the basis of attorney-client, attorney work product, or other privilege, Navistar does not submit one or more requested documents or items of information in response to this information request, Navistar must provide a privilege log identifying each document or item withheld, and stating the date, subject or title, the name and position of the person(s) from, and the person(s) to whom it was sent, and the name and position of any other recipient (to include all carbon copies or blind carbon copies), the nature of that information or material, and the basis for the claim of privilege and why that privilege applies.

Navistar's response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by January 20, 2010. **All business confidential information must be submitted directly to the Office of Chief Counsel as described in the following paragraph and should not be sent to this office.** In addition do not submit any business confidential information in the body of the letter submitted to this office. Please refer to PE09-053 in Navistar's response to this letter and in any confidentiality request submitted to the Office of Chief Counsel. If Navistar finds that it is unable to provide all of the information requested within the time allotted, Navistar must request an extension from me at (202) 366-4933 no later than five business days before the response due date. If Navistar is unable to provide all of the information requested by the original deadline, it must submit a partial response by the original deadline with whatever information Navistar then has available, even if an extension has been granted.

If Navistar claims that any of the information or documents provided in response to this information request constitute confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or are protected from disclosure pursuant to 18 U.S.C. § 1905, Navistar must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 CFR Part 512, as amended (68 Fed. Reg. 44209 et seq; July 28, 2003), to the Office of Chief Counsel (NCC-113), National Highway Traffic Safety Administration, 1200 New Jersey Ave., S.E., Washington, D.C. 20590. Navistar is required to **submit two copies of the documents containing allegedly confidential information (except only one copy of blueprints) and one copy of the documents from which information claimed to be confidential has been deleted.** Please remember that the word "CONFIDENTIAL" must appear at the top of each page containing information claimed to be confidential, and the information must be clearly identified in accordance with 5 U.S.C. § 512.6.

If you have any technical questions concerning this matter or if you believe some official form of action will occur to address this concern, please call Sonny Murianka of my staff at (202) 366-5196.

Sincerely,

A handwritten signature in cursive script that reads "Richard Boyd".

Richard Boyd, Chief
Medium and Heavy Duty Vehicle Division
Office of Defects Investigation