From: Piazza, John (NHTSA)
To: "Robert Faxon"
Cc: Ansley, Alexander (NHTSA); Guerci, Lloyd (NHTSA)
Subject: CTS IR Response
Date: Tuesday, April 27, 2010 12:23:22 PM

Dear Mr. Faxon,

This email follows up on our earlier phone conversation. At this time, the Agency does not require CTS to submit any documents or answers in response to the Agency's February 1, 2010 Information Request other than those documents or responses it has already submitted, except that we request CTS to submit to the Agency any documents that CTS's counsel has already identified and reviewed, but not yet submitted to the Agency. Similarly, regarding the log of Japanese language documents that CTS is preparing, please submit to the Agency the portion of the log that CTS has completed as of today. The Agency reserves the right to require CTS to complete its production at a later date.

Sincerely,
John Piazza

John Piazza

National Highway Traffic Safety Administration

Office of the Chief Counsel

Litigation and Enforcement Division

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April 30, 2010

VIA E-MAIL
(HARD COPY TO FOLLOW)

Ms. Kathleen C. DeMeter
Director, Office of Defects Investigation Enforcement
U.S. Department of Transportation
National Highway Traffic Safety Administration
1200 New Jersey Avenue SE
Washington, DC 20590

Re: Request for Information & Amended Request for Information of February 1, 2010
EQ10-002

Dear Ms. DeMeter:

Enclosed is CTS Corporation's ("CTS's") supplemental response to the February 1, 2010 Information Request Letter in the above-referenced EQ, requesting information about accelerator pedal assemblies manufactured by CTS in connection with Toyota's January 21, 2010 voluntary recall of certain automobiles. CTS responded to the first seven individual requests on February 5, 2010. NHTSA requested responses to the remaining sixteen items by March 3, 2010. On February 23, 2010, CTS submitted a proposal regarding the scope and timing for CTS's response. On March 2, 2010, the Agency granted in part and denied in part CTS's proposal and set a schedule for response to various portions of the Request. On April 27, 2010, CTS counsel received an e-mail from NHTSA representative John Piazza in which Mr. Piazza suspended CTS's obligation to respond to the outstanding portions of the request but for (1) providing additional documents CTS's counsel has already identified and reviewed; and (2) providing the portion of the Japanese language log completed as of April 27, 2010. Included with this letter is DVD labeled CTS-NHTSA-DVD06, which consists of documents Bates numbered CTS-NHTSA-0006959 through CTS-NHTSA-0007597 in response to (1) and (2) outlined above.

CTS considers substantial portions of our response to be confidential business and commercial information as defined in 49 C.F.R. § 512.3 and 5 U.S.C. § 552(b). Accordingly, we seek to invoke the protections of 49 C.F.R. Part 512 and will be communicating with the Chief Counsel's office regarding those issues.

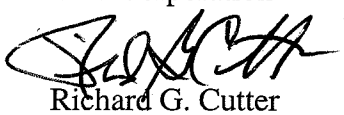
CTS incorporates the objections raised in its previous responses dated February 5, 2010, March 3, 2010, March 19, 2010, April 16, 2010, and April 22, 2010. CTS also objects to – and will not produce documents protected by – the attorney-client privilege and/or work product doctrine.

These responses are made without waiver of CTS's objections to the scope and breadth of the demands, some of which, as set forth in our letter dated February 23, 2010, do not meet the specificity requirements of C.F.R. 510.3(b) and make literal compliance virtually impossible. In responding to these requests, CTS has attempted to set forth the information that it has searched and the basis for its response, and CTS is willing to meet and discuss any particular response with NHTSA if additional, specific information is deemed necessary.

These responses are also made without waiver of CTS's objection to the defined term "safety-related defect." For the reasons stated in its previous responses, CTS does not believe that its pedals contain a safety-related defect and its response to the Agency's questions should not be deemed an admission that any such defect exists.

Very truly yours,

CTS Corporation



Richard G. Cutter
Vice President, General Counsel
and Secretary

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April 30, 2010

Mr. O. Kevin Vincent
Chief Counsel
National Highway Traffic Safety Administration
1200 New Jersey Avenue, SE.,
West Building W41-227,
Washington, DC 20590.

Re: Request for Confidential Treatment for Information Provided in EQ 10-002

Dear Mr. Vincent:

CTS Corporation ("CTS") is submitting information to the NHTSA Office of Defect Investigation in connection with the above-referenced EQ.

By way of background, the Automotive Products business unit of CTS is a supplier of accelerator pedal assemblies to motor vehicle manufacturers (OEM's). The automotive industry is highly competitive and closely guards against the public disclosure of information about operations, including sales volumes and customer identities. This confidential submission seeks to balance the need to prevent competitive harm to CTS and certain of its suppliers and OEM customers, while at the same time providing information that may be of assistance to the agency in the subject investigation.

CTS has determined that the information and documents described in the Confidentiality Log, attached hereto as Exhibit A, should be accorded confidential treatment under this agency's regulations at 49 C.F.R. Part 512 and Exemption 4 of the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552(b)(4). Therefore, CTS is submitting the information, together with this request for confidential treatment and the certificates required by your regulations, to the Office of Chief Counsel.

The information required by Part 512 is set forth below.

A. Description of the Information (49 C.F.R. § 512.8(a))

The information for which CTS is seeking confidential treatment consists of highly confidential engineering documentation and analysis more fully described in Exhibit A to this letter.

B. Confidentiality Standard (49 C.F.R. § 512.8(b))

The confidentiality standard applicable to this request is the one set forth in 49 C.F.R. § 512.15(b) for information that a submitter is required to provide to the agency. Under this standard, information qualifies for confidential treatment if its disclosure would be likely to result in substantial harm to the competitive position of the submitter or of the entity that originally prepared the information.

C. Justification for Confidential Treatment (49 C.F.R. § 512.8(c))

Under this agency's regulations and FOIA Exemption 4, information should be withheld if its disclosure would be likely to cause substantial competitive harm to the submitter. *See, e.g., National Parks & Conservation Ass'n v. Morton*, 498 F.2d 765, 770 (D.C. Cir. 1974); 49 C.F.R. § 512.15(b). FOIA Exemption 4 was enacted to prevent disclosures that would "eliminate much of the time and effort that would otherwise be required to bring to market a product competitive with the [submitter's] product." *Public Citizen Health Research Grp. v. FDA*, 185 F.3d 898, 905 (D.C. Cir. 1999). "Because competition in business turns on the relative costs and opportunities faced by members of the same industry, there is a potential windfall for competitors to whom valuable information is released under FOIA. If those competitors are charged only minimal FOIA retrieval costs for the information, rather than the considerable costs of private reproduction, they may be getting quite a bargain. Such bargains could easily have competitive consequences not contemplated as part of FOIA's principal aim of promoting openness in government." *Worthington Compressors, Inc. v. Costle*, 662 F.2d 45, 51 (D.C. Cir. 1981).

The documents and information described in Exhibit A should be protected under this standard. This information would provide competitors with insights into proprietary design information, engineering testing and analysis, and the problem solving capabilities of CTS. Disclosure of such information would provide competitors and potential competitors virtually free access to proprietary information and a competitive advantage that they otherwise would not have. Additional justification for each document or category of document/information listed in Exhibit A is contained in the "Confidentiality Justification" column of the log.

D. Class Determination (49 C.F.R. § 512.8(d))

The information for which confidential treatment is being sought does not come within a class determination.

E. Duration For Which Confidential Treatment Is Sought (49 C.F.R. § 512.8(e))

Because CTS anticipates that the information will retain its competitive value indefinitely, CTS requests that the information be accorded confidential treatment permanently.

F. Contact Information (49 C.F.R. § 512.8(f))

Please direct all inquiries and responses to the undersigned at the address, telephone number, and email address shown on the first page of this letter.

* * *

If you receive a request for disclosure of the information for which confidential treatment is being sought before you have completed your review of our request, CTS respectfully requests notification of the request(s) and an opportunity to provide further justification for the confidential treatment of this information, if warranted.

Very truly yours,

CTS Corporation

Richard G. Cutter III
Vice President, General Counsel
and Secretary

cc: Otto Matheke, Esq.
Kathleen DeMeter