OFFICE OF DEFECTS &
INVESTIGATIONS

PACCAR Inc
Law Department

October 22, 2010 2010 OCT 31 P 12:41

Bruce York
Acting Chief, Medium and Heavy Duty Truck Division
Office of Defects Investigation
National Highway Traffic Safety Administration
1200 New Jersey Avenue SE
Washington, DC 20590

Re: PE10-029 Preliminary Evaluation Relating to Certain Dana SPL-XL Inter Axle Driveline Failures

Dear Mr. York,

PACCAR Inc acknowledges ODI's Opening Resume investigating certain model year 2007-2009 Peterbilt trucks equipped with Dana extended lube (SPL-XL) inter-axle drivelines ("Subject Component") manufactured by Dana Holding Corporation ("Dana"). PACCAR also acknowledges receipt of ODI's August 12, 2010 Information Request ("IR") seeking information from both PACCAR's Peterbilt Motors Company ("Peterbilt") and Kenworth Truck Company ("Kenworth") divisions. Preliminarily, PACCAR appreciates ODI's courtesy in extending its response deadline to October 22, 2010.

The IR encompasses model year 2007-2009 Peterbilt and Kenworth trucks equipped with Dana SPL-XL inter-axle drivelines (the "Subject Vehicles"), as well as all other MY 2007-2009 Peterbilt and Kenworth trucks equipped with any other type of inter-axle driveshaft (the "Peer Vehicles"). The Subject Vehicle population for both divisions is 49,517 trucks. The Peer Vehicle population for both divisions is 98,631 trucks.

Preliminarily, PACCAR shares ODI's concern regarding the possible safety consequences associated with a driveline detaching while a truck is in operation. There are a variety of factors which can prematurely shorten the life or affect the durability of the inter-axle driveline. PACCAR engineers are working closely with Dana to determine whether any defect in the Subject Component or its installation exists and, separately, whether a defect has caused accelerated wear and failure of the inter-axle driveline. PACCAR's responsive documents include two PowerPoint presentations exchanged between Peterbilt and Dana engineers last month. It is important to note the conclusions reached in the presentations are the early suppositions of an engineer based on incomplete data from a single truck. These conclusions were rejected by other engineers and the internal debate regarding the existence of a defect has prompted PACCAR to move forward with its current empirical testing.

The warranty and extended warranty data for the majority of trucks within the Subject Vehicle population reflects a very low, downward trending claim rate consistent with robust

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performance. There is a slightly elevated claim rate for the 2007 Kenworth T2000, which is attributable to proactive service inspections done which were done for a single fleet customer. The warranty history for this model improved in subsequent years due to modifications in the Subject Component which were implemented by Dana. For the Peterbilt population, there are slightly elevated claim rates for the 2007 Peterbilt model 379, 2007 Peterbilt 387, 2008 model 387, 2008 model 389, and 2009 model 387 populations. Again, the claims for these populations include proactive inspection programs for five fleet customers, with over 50% of the claims relating to a single Peterbilt fleet customer. Many of the claims for these vehicles relate to a subjective determination of excessive driveline play, after the trucks have accumulated several hundred thousand miles. Again, PACCAR and Dana are currently investigating whether the elevated claim rates for all of the above populations may relate to driveline angles, lubrication, inadequate maintenance, ride height adjustment, or any of a number of other factors.

Please accept the following as PACCAR's responses to NHTSA's requests. As additional information becomes available, we will supplement our responses to these requests.

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

    a. *Vehicle identification number (VIN);*
    b. *Make;*
    c. *Model;*
    d. *Model Year;*
    e. *Date of manufacture;*
    f. *Inner-Axle driveshaft part number;*
    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."

RESPONSE: The requested data is included with this response and is identified as "PRODUCTION DATA". Because certain documents include confidential information which is protected by law, a confidentiality request also has been submitted.

Kenworth manufactured 27,260 vehicles within the Subject Vehicle population. The breakdown by model and model year is as follows:

Make	Model Type	Model Year	Quantity
Kenworth	T300	2007	210
Kenworth	T602	2007	3,577
Kenworth	T800	2007	5,591
Kenworth	W900	2007	1,953
Kenworth	T2000	2007	1,751
Kenworth	C500	2007	29

Kenworth	T300	2008	318
Kenworth	T602	2008	1,582
Kenworth	T800	2008	3,729
Kenworth	W900	2008	517
Kenworth	T2000	2008	751
Kenworth	C500	2008	11
Kenworth	K500	2008	5
Kenworth	T300	2009	474
Kenworth	T602	2009	1,826
Kenworth	T800	2009	3,138
Kenworth	W900	2009	659
Kenworth	T2000	2009	1,074
Kenworth	C500	2009	40
Kenworth	K500	2009	25

Kenworth manufactured 46,395 vehicles within the Peer Vehicle population. The breakdown by model and model year is as follows:

Make	Model Type	Model Year	Quantity
Kenworth	T300	2007	1081
Kenworth	T602	2007	5,674
Kenworth	T800	2007	12,607
Kenworth	W900	2007	5,976
Kenworth	T2000	2007	479
Kenworth	C500	2007	159
Kenworth	K500	2007	6
Kenworth	953	2007	6
Kenworth	T300	2008	396
Kenworth	T602	2008	2,152
Kenworth	T800	2008	5,735
Kenworth	W900	2008	1,861
Kenworth	T2000	2008	148
Kenworth	C500	2008	105
Kenworth	C540	2008	2
Kenworth	K500	2008	26
Kenworth	953	2008	13
Kenworth	T300	2009	412
Kenworth	T602	2009	2,543
Kenworth	T800	2009	5,747
Kenworth	T2000	2009	92
Kenworth	W900	2009	1,132
Kenworth	C500	2009	27
Kenworth	K500	2009	3
Kenworth	953	2009	13

Peterbilt manufactured 22,208 vehicles within the Subject Vehicle population. The breakdown by model and model year is as follows:

Make	Model Type	Model Year	Quantity
Peterbilt	320	2007	26
Peterbilt	357	2007	913
Peterbilt	365	2007	1
Peterbilt	378	2007	1,035
Peterbilt	379	2007	7,458
Peterbilt	385	2007	188
Peterbilt	386	2007	909
Peterbilt	387	2007	1,685
Peterbilt	388	2007	1
Peterbilt	320	2008	38
Peterbilt	357	2008	1
Peterbilt	365	2008	560
Peterbilt	367	2008	545
Peterbilt	384	2008	94
Peterbilt	386	2008	584
Peterbilt	387	2008	626
Peterbilt	388	2008	771
Peterbilt	389	2008	903
Peterbilt	320	2009	8
Peterbilt	365	2009	733
Peterbilt	367	2009	457
Peterbilt	384	2009	408
Peterbilt	210	2009	2
Peterbilt	386	2009	1,290
Peterbilt	387	2009	1,570
Peterbilt	388	2009	730
Peterbilt	389	2009	672

Peterbilt manufactured 52,126 vehicles within the Peer Vehicle population. The breakdown by model and model year is as follows:

Make	Model	Model Year	Peer
Peterbilt	320	2007	468
Peterbilt	335	2007	1,576
Peterbilt	340	2007	1,176
Peterbilt	357	2007	3,831
Peterbilt	378	2007	2,418
Peterbilt	379	2007	12,098
Peterbilt	385	2007	904
Peterbilt	386	2007	2,593
Peterbilt	387	2007	4,001
Peterbilt	320	2008	622
Peterbilt	335	2008	2

Peterbilt	340	2008	1,511
Peterbilt	357	2008	9
Peterbilt	365	2008	921
Peterbilt	367	2008	1,328
Peterbilt	384	2008	279
Peterbilt	386	2008	2,050
Peterbilt	387	2008	771
Peterbilt	388	2008	1,826
Peterbilt	389	2008	2,435
Peterbilt	320	2009	1,026
Peterbilt	340	2009	1,046
Peterbilt	365	2009	710
Peterbilt	367	2009	1,318
Peterbilt	210	2009	3
Peterbilt	384	2009	638
Peterbilt	386	2009	2,465
Peterbilt	387	2009	1,228
Peterbilt	388	2009	1,548
Peterbilt	389	2009	1,325

2. *State, by model and model year, the number of each of the following, received by PACCAR or of which PACCAR is otherwise aware, which relate to, or may relate to, the alleged defect in the subject and 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. *Property damage claims;*
    e. *Third-party arbitration proceedings where PACCAR is or was a party to the arbitration; and*
    f. *Lawsuits, both pending and closed, in which PACCAR is or was a defendant or codefendant.*

For subparts "a" through "f," 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 PACCAR'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.

RESPONSE:

a. Consumer Complaints

Kenworth has the following complaints from a single customer related to the Subject population of vehicles:

Make	Truck Model	Model Year	Quantity
Kenworth	T2000	2007	6
		TOTAL:	6

Kenworth has no customer complaints related to the Peer population of vehicles.

Peterbilt has the following customer complaints related to the Subject population of vehicles:

Make	Truck Model	Model Year	Quantity
Peterbilt	379	2007	1
		TOTAL:	1

Peterbilt has the following customer complaints related to the Peer population of vehicles:

Make	Truck Model	Model Year	Quantity
Peterbilt	379	2007	1
		TOTAL:	1

b. Field Reports

Kenworth has the following field reports (NSRs) for the Subject Vehicle population.

Make	Truck Model	Model Year	Quantity
Kenworth	T602	2007	4
Kenworth	W900	2007	1
Kenworth	T2000	2007	1
Kenworth	T602	2008	1
Kenworth	T800	2008	1
		TOTAL:	8

Kenworth has the following field reports (NSRs) related to the Peer population of vehicles.

Make	Truck Model	Model Year	Quantity
Kenworth	T602	2007	5
Kenworth	T800	2007	5
Kenworth	W900	2007	1
Kenworth	C500	2007	1
Kenworth	T202	2008	1
Kenworth	T602	2008	1
Kenworth	T800	2008	1

Kenworth	W900	2008	1
Kenworth	T300	2009	1
Kenworth	T602	2009	16
Kenworth	T800	2009	2
Kenworth	W900	2009	1
		TOTAL:	36

Peterbilt has the following field reports (NSRs) related to the Subject population of vehicles.

Make	Truck Model	Model Year	Quantity
Peterbilt	379	2007	1
Peterbilt	386	2007	1
Peterbilt	387	2007	1
		TOTAL:	3

Peterbilt has the following field reports (NSRs) related to the Peer population of vehicles.

Make	Truck Model	Model Year	Quantity
Peterbilt	365	2009	1
Peterbilt	379	2007	2
Peterbilt	386	2008	1
		TOTAL:	4

c. Reports Involving a Crash, Injury, or Fatality

PACCAR, including its divisions, has no reports of crashes, injuries, or fatalities involving a failure in either the Subject population or Peer population of vehicles.

d. Property Damage Claims

Kenworth has no property damage claims related to driveline failures in the Subject Vehicle population. It has a record of one (1) claim related to a driveline failure in the Peer population of vehicles:

Claimant	Parties	Court	Alleged Problem	Assessment
Millennium Transport	Kenworth; Dana	Not applicable. Claim only	Driveline fell from a 2008 Kenworth T660 truck and was run over by three passenger vehicles.	Property damage claim was resolved by Dana.

Peterbilt has no property damage claims related to driveline failures trucks within the Subject Vehicle population. It has a record of one (1) claim and (1) notice related to driveline failures in the Peer population of vehicles.

Claimant	Parties	Court	Alleged Problem	Assessment

Rinehart Oil, Inc.	Peterbilt; Dana Corporation; Arvin Meritor	Not applicable. Notice only; no claim was made	Inter-axle driveline separated, allegedly resulting in fire loss to truck.	Peterbilt's investigator determined the driveline at issue was not OE installed equipment and had been replaced prior to the accident. The cause of the driveline failure was determined to be improper maintenance (inadequate lubrication of one u-joint bearing cup). In addition, the operator of the vehicle had deflated the air bags for easier off-loading, and then did not re-inflate the air bags. This created extremely high operating angles.
McCardle's Express	Peterbilt; Dana Corporation; Great West Casualty Ins. Company	Not applicable. Claim only	Inter-axle driveline separated in a 2009 Peterbilt model 386, causing property damage to the vehicle's trailer and damage to a following passenger vehicle.	Peterbilt referred the claim to Dana for handling.

e. Third Party Arbitration Proceedings

PACCAR, including its divisions, has not been involved in any arbitration proceedings concerning an alleged failure of an inter-axle driveline in the Subject and Peer Vehicle populations.

f. Lawsuits

PACCAR, including its divisions, has not been involved in any lawsuits concerning an alleged failure of an inter-axle driveline in the Subject or Peer Vehicle populations.

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. *PACCAR'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 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;*
   j. *Whether property damage is alleged;*

k. Number of alleged injuries, if any; and
l. Number of alleged fatalities, if any.

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

RESPONSE: The requested data is included with this response and is identified as "REQUEST NUMBER TWO DATA." Because certain data fields include confidential information which is protected by law, a confidentiality request also has been submitted.

4. *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 PACCAR used for organizing the documents.*

RESPONSE: The requested documents are included with this response and are identified as "REQUEST NUMBER TWO DOCUMENTS". Because certain documents include confidential information which is protected by law, a confidentiality request also has been submitted.

5. *State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by PACCAR 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 (TSB) or customer satisfaction campaign. Separately, for each such claim, state the following information:*
   a. PACCAR's claim number;
   b. Vehicle owner or fleet name (and fleet contact person) and telephone number;
   c. Vehicle's 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;
   i. Replacement part number(s) and description(s);
   j. Concern stated by customer; and
   k. 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."

RESPONSE: The requested data is included with this response and identified as "WARRANTY DATA". Because certain documents include confidential information which is protected by law, a confidentiality request also has been submitted.

The Kenworth warranty and extended warranty data for the Subject Vehicle population generally reflects warranty rates well below one percent (1%), with the exception of the 2007 Kenworth

T2000. These low failure rates are consistent with the low failure rates in the Peer Vehicle population identified below.

For the 2007 Kenworth T2000 population, the claims were due to Kenworth's proactive inspection of inter-axle drivelines on chassis within a single fleet due to the customer complaining of several of driveline failures. The 73 inspection claims note "excessive play" in the driveline, a subjective assessment utilized at the time because there was no disassembly of the affected parts. Each of these chassis received a new Dana bearing/yoke cross assembly which allowed grease to travel to the end caps more efficiently. For the 2007 Kenworth T2000 population, only (4) of the claims relate to driveline separation and one claim relates to excessive vibration, resulting in a failure rate of 0.003.

The Subject Vehicle population data may be summarized as follows:

Make	Model	Model Year	Standard Warranty Claims	KW Extended Warranty Claims	Vendor Extended Warranty Claims	Failure Rate
Kenworth	T300	2007	0	1	0	0.005
Kenworth	T602	2007	2	8	19	0.008
Kenworth	T800	2007	9	0	1	0.002
Kenworth	W900	2007	6	0	6	0.006
Kenworth	T2000	2007	1	74	3	0.045
Kenworth	C500	2007	0	0	0	0.000
Kenworth	T300	2008	1	0	0	0.003
Kenworth	T602	2008	3	3	0	0.004
Kenworth	T800	2008	5	0	0	0.001
Kenworth	W900	2008	1	0	0	0.002
Kenworth	T2000	2008	0	3	0	0.004
Kenworth	C500	2008	0	0	0	0.000
Kenworth	K500	2008	0	0	0	0.000
Kenworth	T300	2009	0	0	0	0.000
Kenworth	T602	2009	1	0	2	0.002
Kenworth	T800	2009	9	0	0	0.003
Kenworth	W900	2009	1	0	1	0.003
Kenworth	T2000	2009	0	1	0	0.001
Kenworth	C500	2009	0	0	0	0.000
Kenworth	K500	2009	0	0	0	0.000

The Kenworth warranty and extended warranty data for the Peer Vehicle population generally reflects baseline warranty rates well below one percent (1%). The data may be summarized as follows:

Make	Model	Model Year	Standard Warranty Claims	KW Extended Warranty Claims	Vendor Extended Warranty Claims	Failure Rate
Kenworth	T300	2007	0	0	0	0.000

Kenworth	T602	2007	12	0	1	0.002
Kenworth	T800	2007	30	0	0	0.002
Kenworth	W900	2007	8	0	0	0.001
Kenworth	T2000	2007	0	0	0	0.000
Kenworth	C500	2007	0	0	0	0.000
Kenworth	T300	2008	0	0	0	0.000
Kenworth	T602	2008	6	3	0	0.004
Kenworth	T800	2008	7	0	0	0.001
Kenworth	W900	2008	3	0	0	0.002
Kenworth	T2000	2008	0	0	0	0.000
Kenworth	C500	2008	0	0	0	0.000
Kenworth	K500	2008	0	0	0	0.000
Kenworth	T300	2009	0	0	0	0.000
Kenworth	T602	2009	19	0	1	0.008
Kenworth	T800	2009	14	0	0	0.002
Kenworth	W900	2009	1	0	0	0.001
Kenworth	T2000	2009	1	0	0	0.011
Kenworth	C500	2009	0	0	0	0.000
Kenworth	K500	2009	0	0	0	0.000

The Peterbilt warranty and extended warranty data for the Subject Vehicle population generally reflects warranty rates well below one percent (1%), with the exception of the 2007 Peterbilt models 379 and 387, the 2008 Peterbilt model 387 and 389, and the 2009 Peterbilt model 387. Similarly, the majority of the claims (over 80%) relate to four fleet customers, and many of those claims are for inspecting the driveline and installing the Dana bearing/yoke assembly.

The Subject Vehicle population data may be summarized as follows:

Make	Model	Model Year	Standard Warranty Claims	PB Extended Warranty Claims	Vendor Extended Warranty Claims	Failure Rate
Peterbilt	320	2007	0	0	0	0.000
Peterbilt	357	2007	4	0	0	0.004
Peterbilt	365	2007	0	0	0	0.000
Peterbilt	378	2007	0	0	1	0.001
Peterbilt	379	2007	32	0	375	0.055
Peterbilt	385	2007	1	0	0	0.005
Peterbilt	386	2007	0	3	5	0.009
Peterbilt	387	2007	4	62	9	0.045
Peterbilt	388	2007	0	0	0	0.000
Peterbilt	320	2008	0	0	0	0.000
Peterbilt	357	2008	0	0	0	0.000
Peterbilt	365	2008	0	0	1	0.002
Peterbilt	367	2008	1	0	0	0.002
Peterbilt	384	2008	0	0	0	0.000
Peterbilt	386	2008	1	1	0	0.003
Peterbilt	387	2008	0	22	12	0.054

Peterbilt	388	2008	0	0	3	0.004
Peterbilt	389	2008	6	0	5	0.012
Peterbilt	320	2009	0	0	0	0.000
Peterbilt	365	2009	0	0	0	0.000
Peterbilt	367	2009	0	0	0	0.000
Peterbilt	384	2009	0	0	0	0.000
Peterbilt	210	2009	0	0	0	0.000
Peterbilt	386	2009	2	1	1	0.003
Peterbilt	387	2009	0	17	16	0.021
Peterbilt	388	2009	1	0	0	0.001
Peterbilt	389	2009	0	0	1	0.001

The Peterbilt warranty and extended warranty data for the Peer Vehicle population may be summarized as follows:

Make	Model	Model Year	Standard Warranty Claims	PB Extended Warranty Claims	Vendor Extended Warranty Claims	Failure Rate
Peterbilt	320	2007	6	0	0	0.001
Peterbilt	335	2007	1	0	0	0.001
Peterbilt	340	2007	1	0	0	0.001
Peterbilt	357	2007	1	0	0	0.000
Peterbilt	365	2007	0	0	0	0.000
Peterbilt	378	2007	1	0	0	0.000
Peterbilt	379	2007	42	0	0	0.003
Peterbilt	385	2007	1	0	0	0.001
Peterbilt	386	2007	6	0	0	0.002
Peterbilt	387	2007	5	4	0	0.002
Peterbilt	388	2007	0	0	0	0.000
Peterbilt	320	2008	0	0	0	0.000
Peterbilt	340	2008	2	0	0	0.001
Peterbilt	357	2008	0	0	0	0.000
Peterbilt	365	2008	2	0	0	0.002
Peterbilt	367	2008	3	0	0	0.002
Peterbilt	384	2008	1	0	0	0.004
Peterbilt	386	2008	16	1	0	0.008
Peterbilt	387	2008	0	0	0	0.000
Peterbilt	388	2008	4	0	0	0.002
Peterbilt	389	2008	7	0	0	0.003
Peterbilt	320	2009	3	0	0	0.003
Peterbilt	365	2009	1	0	0	0.001
Peterbilt	367	2009	3	0	0	0.002
Peterbilt	384	2009	7	0	0	0.011
Peterbilt	210	2009	0	0	0	0.000
Peterbilt	386	2009	22	0	0	0.009
Peterbilt	387	2009	34	0	0	0.028
Peterbilt	388	2009	10	0	0	0.006

Peterbilt	389	2009	5	0	0	0.004

6. *Describe in detail the search criteria used by PACCAR 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 and model year, the terms of the new vehicle warranty coverage offered by PACCAR 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 PACCAR 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.*

RESPONSE: The requested documents and data are included with this response and identified as "REQUEST NUMBER SIX DOCUMENTS".

7. *Produce copies of all service, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject vehicles, that PACCAR 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 PACCAR is planning to issue within the next 120 days.*

RESPONSE: The requested documents and data are included with this response and identified as "REQUEST NUMBER SEVEN DOCUMENTS". PACCAR does not presently intend to issue any communication related to the subject matter of this investigation within the next 120 days.

8. *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, PACCAR. 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. *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. If an action is not complete, provide a detailed schedule for the work to be done, tentative findings and/or conclusions, and provide an update within 10 days of completion of the action.

RESPONSE: The requested documents reflecting assessments, analyses, testing and other responsive documents are included with this response. Because certain documents include confidential information which is protected by law, a confidentiality request also has been submitted.

Certain documents provided in response to this information request reflect a joint investigation related to inter-axle U-joint reliability that was initiated by PACCAR and Dana several months ago. The investigation focused on axle angles and ride height setting associated with the Flex Air and AG380 suspensions as one possible contributory cause of premature driveline wear. These documents may appear to reflect definitive conclusions. In fact, these documents were generated by an individual from the service engineering group who was trying to generate interest among other company engineers regarding possible theories about driveline failures in a single fleet in an effort to reduce service and maintenance costs. The conclusions do not reflect the judgment of the design engineers responsible for the design of the Subject Components, nor do they reflect conclusions by PACCAR with respect to the presence of a defect in the Subject Vehicles.

The PACCAR engineering team has not completed its analysis and further tests are being conducted which will allow a comparison of inter-axle driveline vibrations under dynamic conditions as angle and ride height settings are adjusted. These tests are expected to be completed by December 22, 2010.

9. *Describe all modifications or changes made by, or on behalf of, PACCAR in the design, material composition, manufacture, quality control, supply, or installation of the subject components, 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 PACCAR is aware of which may be incorporated into vehicle production within the next 120 days.

RESPONSE: Kenworth's production of the Dana SPL-XL inter-axle driveshaft began on May 3, 1999 (ECN 9900215) and Peterbilt's production began on April 10, 2000 (ECN 9900389). Attached is a list of standard/process changes which have been made or are being evaluated by Kenworth and Peterbilt. Also attached is a list of product changes made by Dana to the SP- XL

driveline since its origination in 1999. These changes were not made specifically by, or on behalf of, PACCAR, but were made by Dana for all Dana customers.

10. *Describe in the detail, by model and model year, the design and layout of the subject components in the subject vehicles. Your response should include, but is not limited to, the following information:*
    a. *List of all components relate attached to the driveshaft;*
    b. *All lengths and driveshaft's angles (include photos of layout); and*
    c. *The maximum load of the u-joint(s)*

RESPONSE: A PowerPoint slide showing the typical inter-axle driveshaft installation is included with this response. As discussed with ODI, installations can vary depending on the suspension related components selected by the customer. PACCAR will provide additional details for specific installations as requested by ODI.

11. *State the number of the subject components that PACCAR has sold that may be used in the subject vehicles by component name, part number (both service and engineering/production), model and model year of the vehicle in which it is used, and month/year of sale (including the cut-off date for sales, if applicable). Include any kits that have been released, or developed, by PACCAR for use in service repairs to the subject component/assembly which relate, or may relate, to the alleged defect in the subject vehicles.*
    For each component part number, provide the supplier's name, address, and appropriate point of contact (name, title, and telephone number).

RESPONSE: PACCAR sells replacement parts to its independently owned and operated dealerships. The independent dealerships then sell the replacement parts to their customers. The only records within PACCAR's possession which reflect the model and model year of the vehicles receiving replacement parts are those warranty records produced in response to Request No. 5.

It is not uncommon for a production part number to be superseded by one or more replacement part numbers over time. In response to this request, PACCAR has provided a history of part number changes for each of the Subject Components. This data is included with this response and identified as "REQUEST NUMBER ELEVEN DOCUMENTS". Because certain data fields may include confidential information which is protected by law, a confidentiality request has also been submitted.

12. *Produce two of each of the following:*
    a. *Exemplar samples of each design version (if they exist) of the subject components used in the subject vehicles;*
    b. *Field-returned samples of each design version of the subject components from the subject vehicles associated to the allege defect; and*
    c. *Any kits that have been released or developed by PACCAR for use in service repairs to the subject component/assembly which relate, or may relate, to the alleged defect in the subject vehicles.*

RESPONSE: PACCAR does not have field-returned samples of the Subject Components. PACCAR's commercial agreement with Dana provides that all warranty returns are processed by Dana. Dana has advised PACCAR that it has some returned U-joints, but does not have any failed inter-axle drivelines (yoke to yoke). Field returned U-joints may be requested from Dana.

PACCAR has not released or developed any service kit to address the alleged defect.

PACCAR can provide ODI with exemplar samples of the Subject Component. However, the components are used in conjunction with various suspensions and other components. Accordingly, please contact PACCAR's Safety and Compliance engineers to discuss the requirements of this request.

13. Furnish PACCAR's assessment of the alleged defect in the subject vehicles, 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 would have that the alleged defect was occurring or subject component was malfunctioning; and
f. The reports included with this inquiry.

RESPONSE: There are a variety of factors that contribute to driveline life and performance in the field, including:

- Vehicle maintenance and inspection;
- Lubrication (type, amount, and condition);
- Universal joint operating angles;
- Environmental factors, such as contamination;
- Torsional and inertial vibration levels;
- Driveshaft speed, torque and load;
- Operational angles; and
- Other operator inputs, such as inadequate maintenance.

Field performance and component durability is influenced by each of these factors. Any one or a combination of these factors can result in driveline performance degradation and ultimate failure. PACCAR's experience suggests a driveline failure typically begins in the universal joint bearing assembly with a breakdown of the bearing surfaces. Any of the factors identified above can lead to progressive vibration, heat, breakdown of lubricant, and ultimately may lead to a breakage of the u-joint which can result in separation of the driveline from the vehicle. PACCAR's current testing is focused on the causal effect, if any, of the above inputs on the Subject Components. Because testing is ongoing, PACCAR has not formulated an assessment as to whether a defect is present in the Subject Components, the installation of the Subject Components, or whether there is some extrinsic cause. PACCAR anticipates its testing will be concluded by December 22, 2010.

If you have any additional questions or require further information at this time, please feel free to contact me.

Sincerely,

Mike Walton
Counsel
PACCAR Inc