

OFFICE OF DEFECTS &
INVESTIGATIONS



January 27, 2011

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VIA FEDERAL EXPRESS

D. Scott Yon, Chief
Vehicle Integrity Division
Office of Defects Investigation
U.S. Department of Transportation
National Highway Traffic Safety Administration
1200 New Jersey Avenue, S.E.
Washington D.C. 20590

Re: **Preliminary Evaluation (PE10-046)**
Automatic Transmission Shift Cable Detachment; 2007 MY Kia Optima

Dear Mr. Yon:

This letter is submitted in response to your recent letter sent to Hyundai-Kia America Technical Center, Inc. ("HATCI") (Reference NVS-212mjl/PE10-046). That letter requested information regarding the allegations of the automatic transmission shift cable detachment in certain 2007 Optima vehicles manufactured by Kia Motors Corporation ("KMC"). HATCI does not manufacture any vehicles and in particular did not manufacture any Kia Optima's. Therefore, there is no "Hyundai-Kia" organization which manufactures, distributes or maintains claims information regarding the Kia Optima or any other Kia vehicle.

However, HATCI has been designated by KMC and KMA to act as their communication liaison with the National Highway Traffic Safety Administration. This letter is submitted to NHTSA by HATCI in that limited role. As with all matters, Kia assembles all information for NHTSA and HATCI transmits that information to NHTSA.

Your IR letter references the 2007 Optima but requests information for the 2006-2007 Optima. The 2006 model year is split up into two models. The earlier 2006 MS model has a different shift cable and shift lever than the 2006.5 and 2007 MG model, which have the shift cable and shift lever of interest in this investigation. This letter thus provides information for the MG vehicles.

REQUEST NO. 1:

State, by model and model year, the number of subject of vehicles that Hyundai-Kia has manufactured for sale or lease in the United States. Separately, for each subject vehicle manufactured to date by Hyundai-Kia, state the following:

- a. Vehicle Identification number (VIN);
- b. Make;
- c. Model;
- d. Model Year;

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- e. Date of manufacture;
- f. Date warranty coverage commenced; and
- g. 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 TO REQUEST NO. 1:

The total number of Optima MG vehicles with automatic transmissions manufactured for sale in the United States for the 2006.5 and 2007 model years is 69,021.

A listing of the data is provided on a Data Collection Disc under the category "PRODUCTION DATA" and submitted contemporaneously with this response.

REQUEST NO. 2:

State the number of each of the following, received by Hyundai-Kia, or of which Hyundai-Kia is otherwise aware, which relate to, or may relate to, the alleged defect in the subject vehicles:

- a. Consumer complaints, including those from fleet operators;
- b. Field reports, including dealer field reports;
- c. Reports involving a crash, fire, 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 Hyundai-Kia is or was a party to the arbitration; and
- f. Lawsuits, both pending and closed, in which Hyundai-Kia 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 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 Hyundai-Kia'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.

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RESPONSE TO REQUEST NO. 2:

There is no Hyundai-Kia organization which manufacturers, distributes or maintains claims information regarding the Kia Optima. The following information is provided through KMA.

- a. Consumer Communications—104
- b. Field Reports—3
Technical Assistance Reports—33
- c. Reports involving crash, injury or fatality alleging death or injury was caused by possible defect—4
- d. Property Damage Claims—0
- e. Third Party Arbitrations—3
- f. Lawsuits—1

Kia's search included all files through December 10, 2010 which included the words "shift" and "cable", "shift" and "gear", "park" and "roll". The results were then reviewed to identify those items which related, or may relate to the alleged defect as described in your letter. Pursuant to the extension you granted on January 25, 2011, Kia will provide its assessment for items "c-f" on February 21, 2011.

REQUEST NO. 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. Hyundai-Kia'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.

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

RESPONSE TO REQUEST NO. 3:

There is no Hyundai-Kia organization which manufacturers, distributes or maintains claims information regarding the Kia Optima. The following information is provided through KMA. A listing of all responsive communications as to KMA is provided on a Data Collection Disc under the category "REQUEST NUMBER TWO DATA".

REQUEST NO. 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 Hyundai-Kia used for organizing the documents.

RESPONSE TO REQUEST NO. 4:

Copies of the documents identified in response to Request No. 2 are submitted with this letter. They are organized by the following categories:

- Consumer Affairs Department files from KMA's department database (104)
- Field Reports (3)
- Technical Assistance Reports (33)
- Third Party Arbitrations (3)
- Lawsuits (1)

See **Tab 1**.

REQUEST NO. 5:

State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by Hyundai-Kia to date relate to, or may relate to, the alleged defect in the subject vehicles including all claims for repairs of the subject components: 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. Also, state by model and model year, a total count for all claims that relate to repairs related to any TSBs involving the subject components.

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

- a. Hyundai-Kia's claim number;

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- 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;
- i. Whether or not the repair is related to a TSB (and if so, identify the TSB number);
- j. Replacement part number(s) and description(s);
- k. Concern stated by customer; and
- l. 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 TO REQUEST NO. 5:

There is no Hyundai-Kia organization which manufacturers, distributes or maintains claims information regarding the Kia Optima. The following information is provided through KMA. A total of 2,026 warranty claims have been received by KMA through December 10, 2010. A listing of the responsive warranty claims is provided on a Data Collection Disc under the category "WARRANTY DATA".

REQUEST NO. 6:

Describe in detail the search criteria used by Hyundai-Kia 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 lists 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 Hyundai-Kia 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 Hyundai-Kia 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 TO REQUEST NO. 6:

There is no Hyundai-Kia organization which conducted any such search. The following information is provided through KMA. Kia searched for all repair/replacement warranty claim data received through December 10, 2010 for the Cable Assembly—ATM Lever, Lever Assembly ATM and Lever Complete.¹

¹ There are different part numbers for the same part depending on the vehicle's specific trim and color. The differences in part numbers do not relate to any design changes.

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Codes Used. In your letter, you requested that Kia provide its “problem code” information. Kia refers to the “problem code” as the “cause code”, which carries the letter “C” which reflects the technician’s evaluation of the cause of the problem. You also requested that Kia provide information regarding “concerns stated by the customer”. Kia’s code chart refers to these as “condition codes,” but they are commonly referred to as “nature codes,” and carry the “N” designation. These reflect the service writer’s or technician’s understanding of the customer’s information.

A copy of KMA’s coding sheet for warranty claims is submitted with this response. **See Tab 2.**

The 2006 and 2007 MY Optima MG vehicles have a 5 year, 60,000 mile basic warranty. No extended or additional warranties were provided to Kia customers.

REQUEST NO. 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 Hyundai-Kia 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 Hyundai-Kia is planning to issue within the next 120 days.

Summarize and provide a brief chronology of all actions taken by Hyundai-Kia leading to each of the technical service bulletins that have been issued relating to the alleged defect in the subject vehicles. Provide copies of all documents, organized in chronological order, related to the development of these bulletins.

RESPONSE TO REQUEST NO. 7:

There is no Hyundai-Kia organization which undertook any actions in connection with the technical service bulletins referred to. Kia provided the following:

- PS061, “Pitstop: Optima (MG) Shift Cable Detachment”, dated August 20, 2007.²
- Kia Tech Times, Volume 10, Issue 4, dated 2007, page 11.

See Tab 3.

Kia has not issued any documents which it identifies as Technical Service Bulletins. Pitstop (PS061) provides repair tips while TechTimes provides general technical information. The same information was provided in both publications. Their issuance was based on the following: On June 5, 2007, KMA informed KMC about issues relating to possible cable detachment. **See Tab 4.** KMC conducted an investigation and determined that the specific shift cables identified by KMA had been incorrectly installed during assembly at Kia’s plant. **See Tab 5.** KMC advised that vehicles produced from March

² The 4/10/07 date identified in the Pitstop and Tech Times is a typo and should be 6/14/07.

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8, 2007 were inspected to confirm proper installation of the shift cable and were marked with white paint. Vehicles produced after June 14, 2007 were equipped with a feature so that incorrect installation of the shift cable to the ATM shifter would be impossible. Pit Stop and TechTimes advised technicians how to reconnect the shifter cable in case they were presented with a vehicle which had a disconnected cable.

REQUEST NO. 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, Hyundai-Kia. This includes but is not limited to any and all actions by the subject component manufacturer relating to the alleged defect. 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. 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 TO REQUEST NO. 8:

There is no Hyundai-Kia organization which conducted any of the actions which this request refers to. Pursuant to the extension you granted on January 25, 2011, Kia will provide the information responsive to this request on February 18, 2011.

REQUEST NO. 9:

Describe all modifications or changes made by or on behalf of Hyundai-Kia (e.g., by a supplier) in the design 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;

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- d. The part number(s) (engineering and service) of the original component;
- e. The part number(s) (engineering and service) 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 Hyundai-Kia is aware of which may be incorporated into vehicle production within the next 120 days.

RESPONSE TO REQUEST NO. 9:

There is no Hyundai-Kia organization which had any involvement in the design or installation of the subject components. On June 14, 2007, KMC added clips on the cable and shifter assembly so that incorrect installation of the shift cable to the ATM shifter would be impossible and thus prevent the rotation/twisting of the shift cable. See **Tab 5**. This modification did not result in any part number change.

REQUEST NO. 10:

Provide one exemplar sample of each design version of the automatic transmission shifter assembly used in the subject vehicles. Also, provide an exploded view diagram of each assembly with the name of each part of the assembly clearly labeled.

RESPONSE TO REQUEST NO. 10:

The exemplar sample of the automatic transmission shifter assembly is being submitted contemporaneously with this response. The assembly is labeled to provide the relevant names.

REQUEST NO. 11:

State the number of each component of the subject components that Hyundai-Kia 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).

For each subject component part number, provide the supplier's name, address, and point of contact used by Hyundai-Kia (name, title, and telephone number). Also, identify by make, model and model year, any other vehicles of which Hyundai-Kia is aware that contain the identical component, whether installed in production or in service, and state the applicable dates of production or service usage.

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RESPONSE TO REQUEST NO. 11:

There is no Hyundai-Kia organization which sold any components. A chart identifying part sales by KMA is attached. See **Tab 6**.

The supplier of the Lever Assembly—ATM and Lever—Complete is Dong Won Industrial Co., Ltd. located at 778-2, Wonsi-Dong, Danwon-Gu, Ansan-City, Gyeonggi-Do, 425-852. The point of contact is Gang-Ug Lee (General Manager). Mr. Lee can be reached at 82 10 7307 7874.

The supplier of the Cable Assembly—ATM is INFAC, located at 625-2, Eopseong-dong, Seobuk-gu, Cheonan-si, Chungcheongnam-do, Korea, 331-290. The point of contact is Jae-Hwan Pack (General Manager). Mr. Pack can be reached at 82 10 3180 5216.

The 2008—2010MY Kia Optima vehicles have a similar Cable Assembly to the 2006.5—2007 Optima vehicles. The 2008—2009MY Kia Optima vehicles have a similar Lever Assembly as the 2006.5—2007 Optima vehicles.

REQUEST NO. 12:

Furnish Hyundai-Kia'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; and
- 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. The VOQ reports referenced in this inquiry.

RESPONSE TO REQUEST NO. 12:

There is no Hyundai-Kia organization which has or will have any assessment. Pursuant to the extension you granted on January 25, 2011, Kia will provide an assessment based on available information by February 21, 2011.

Sincerely,



Robert Babcock
Senior Manager, Regulation and Certification Department