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

1200 New Jersey Avenue SE.
Washington, DC 20590

AUG 0 2 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Sean Beckstrom
Vice President-Legal Affairs
Graco Children's Products, Inc.
3 Glenlake Parkway
Atlanta, GA 30328

NVS-212jfa
EA13-001

Dear Mr. Beckstrom:

The Office of Defects Investigation (ODI) at the National Highway Traffic Safety Administration (NHTSA) completed its Preliminary Evaluation (PE12-031) investigating allegations that the harness buckle of the child seat harness is difficult to unlatch or becomes stuck in a latched condition in model year (MY) 2009-2011 My Ride and Nautilus child seats manufactured by Graco Children's Products Inc. Based on our analysis of the information received in PE12-031, ODI upgraded this matter to an Engineering Analysis (EA) on February 21, 2013. The NHTSA assigned identification number for this matter is EA13-001.

This office has identified 103 additional Vehicle Owner Questionnaires (VOQs) reports related to the alleged defect, of which, 98 were received since opening PE12-031 in October 2012. In the VOQs, consumers allege difficulty in unlatching the harness buckle on their subject child seat with many stating that excessive force and/or effort was required to unlatch it. Of these 103 VOQ's, 44 complainants reported that they could not unlatch the harness buckle at all and had to use other means to remove their child from the child seat. Of that number, 12 of the complainants ultimately took the desperate step of cutting the harness to remove their child; three of the complainants removed the child seat from the vehicle, while the child was still in it; and 29 complainants managed to remove their child from the child seat by pulling the child though the still buckled harness. A copy of each of the reports noted above, and whose ODI numbers are listed at the end of this letter, have been sent electronically to your office for your information.

One of ODI's principal concerns is that buckles that become stuck in a latched condition, and those that are difficult to unlatch, are not operating to their design intent as a "quick release" connector for the harness assembly.[1] Therefore, when this occurs, we believe that this situation creates an unreasonable safety condition in that the unlatching of the buckle and/or the extracting of the child would take an excessive amount of time, or may not be possible at all in a post-crash

[1] See 49 CFR § 571.209; Seat belt assemblies.

or other emergency situation where time is a critical factor. Additionally, First Responders or Good Samaritans, who are unfamiliar with the buckles operation or its sticking characteristics, also may not be able to unlatch the buckle. Further, Graco's suggestion that a child can be removed through a still buckled harness, or that the car seat with the child still seated in it could be removed from the vehicle in a post-crash situation is unsustainable. In a post-crash situation, to remove an excited and agitated child through the still buckled harness takes time, a critical factor in an emergency situation, and may not even be possible in the event of injury to the parent or caregiver present in the vehicle.

As part of the EA investigation, this letter requests information on all MY Graco car seats produced with a "Signature" or "QT" harness buckle manufactured by or for Graco and requests updated and additional information from Graco. Please note that the subject child seat definition has been expanded to include MY 2013.

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

- **Subject child seats:** all child seats that are equipped with the subject components, manufactured for sale in the United States.

- **Subject components:** all "Signature" and "QT" harness buckles used in production of the subject child seats.

- **Response to PE12-031:** Graco's December 21, 2012 response to ODI's October 17, 2012 request for information in PE12-031, including all documents produced in response.

- **Graco:** Graco Children's Products, Inc., all of its past and present officers and employees, whether assigned to their principal offices or any of their field or other locations, including all of their 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 Graco (including all business units and persons previously referred to), who are or, in or after 2007, 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 sellers of Graco child seats, distributors, retailers, or other field locations, including but not limited to people who have the capacity to obtain information from these parties.

- **Alleged defect:** any failure of the subject component(s) that impedes the ability of, or otherwise prevents, a person other than the child from removing the child from the subject child seat.

- **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 Graco, 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 the Graco 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 Graco has previously provided a document to ODI, Graco 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 Graco's response to each request, identify the source of the information and indicate the last date the information was gathered.

1. State the number of all subject child seats Graco has manufactured, or imported for sale, in the United States, by platform model year, and buckle type. Provide the data by monthly production volumes in a table in Microsoft Excel, or a compatible format, entitled "PRODUCTION DATA." **Provide the table in the same format as in response to PE12-031.**

2. State the number of each of the following, received by Graco, or of which Graco is otherwise aware, which relate to, or may relate to, the alleged defect in the subject child seats not included in response to NHTSA's Information Request (IR) **in PE12-031**:
   a. Consumer complaints;
   b. Field reports, including dealer field reports;
   c. Reports involving a fire, 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 the alleged defect in a subject vehicle, property damage claims, consumer complaints, or field reports;
   d. Third-party arbitration proceedings where Graco is or was a party to the arbitration; and,
   e. Lawsuits, both pending and closed, in which Graco is or was a defendant or codefendant.

   For subparts "a" through "e," state the total number of each item (e.g., consumer complaints, reports from retailers, etc.) separately. Multiple incidents involving the same vehicles 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 item "c" provide a summary description of the alleged problem and causal and contributing factors and Graco's assessment of the problem, with a summary of the significant underlying facts and evidence. For items "d" and "e," 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, state the following information:
   a. Graco's file number or other identifier used;
   b. The category of the item, as identified in Request No. 3 (i.e., consumer complaint, report from retailer, etc.);
   c. Child seat owner's name, address, and telephone number;
   d. Child seat model number;
   e. Child seat model year;
   f. Child seats date of manufacture;
   g. Harness buckle/subject component;
   h. Incident date;
   i. Report or claim date;
   j. Whether the harness buckle was allegedly unable to be opened;
   k. Whether the harness was allegedly cut to facilitate removal of the child occupant;
   l. Whether Graco has possession of the subject child seat and or harness buckle;
   m. Number of alleged injuries; and,
   n. Number of alleged fatalities.

   Provide this information in a table in Microsoft Excel entitled, "EA13-001 REQUEST NUMBER TWO DATA." **Provide the table in the same format as in Graco's response to NHTSA's IR in PE12-031.**

4. Produce copies of all documents related to each item within the scope of Request No. 3. Organize the documents separately by category (i.e., consumer complaints, reports from retailers, etc.) and describe the method Graco used for organizing the documents.

5. State a total count for all of the following categories of claims, collectively, that have been paid by Graco to date that relate to, or may relate to, the alleged defect in the subject child seats **not included in Graco response to the IR in PE12-031**: warranty claims; extended warranty claims; claims for good will services that were provided; or similar adjustments and reimbursements; and 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 information:
   a. Graco's claim number;
   b. Child seats owner's name and telephone number;
   c. Child seats model number;
   d. Child seat model year;
   e. Child seats date of manufacture;
   f. Harness buckle/subject component part number;
   g. Repair date;
   h. Repairing facility's name, telephone number, city and state or ZIP code;
   i. Labor operation number;
   j. Problem code;
   k. Replacement part number(s) and description(s);

l. Concern stated by customer; and,
m. Comment, if any, by the technician or person(s) making the repair, and/or the person(s) processing the claim that relate to the claim and/or repair.

Provide this information in a table in Microsoft Excel entitled "EA13-001 WARRANTY DATA." **Provide the table in the same format as in Graco's response to NHTSA's IR in PE12-031.**

6. Describe in detail the search criteria used by Graco 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 the terms of the new vehicle warranty coverage offered by Graco on the subject vehicles (i.e., the number of months for which coverage is provided and the vehicles systems that are covered). Describe any extended warranty coverage option(s) related to the alleged defect that Graco 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. Produce copies of all service, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject child seats that Graco has issued to any retailers or distributors, regional or zone offices, field offices, Graco customer service representatives, other Graco employees or contractors, or other such 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 Graco is planning to issue concerning the alleged defect and/or subject child seat within the next 120 business 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 child seats that have been conducted, are being conducted, are planned, or are being planned by, or for, Graco **that are not included in Graco's response to NHTSA's IR in PE12-031**. 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 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.

9. ODI understands that Graco is sourcing a new buckle to replace the QT buckle in new production of certain subject child seats. Specifically, that the QT buckle, with a "hinged"[2] release button, will be replaced by a buckle that has a "floating"[3] release button. ODI also understands that the new buckle will be used as a replacement buckle for consumers experiencing unlatching or latching difficulties with their "Signature" and "QT" buckles. Regarding Graco's decision to source a new buckle and to provide it as a replacement part to consumers, provide the following information:
   a. The date or approximate date on which Graco decided to source a new buckle;
   b. The reason(s) Graco made the decision to source a new buckle;
   c. Copies of all documents related to Graco's decision to source a new buckle;
   d. The supplier of the new buckle with contact information for the supplier's representative;
   e. When the new buckle will be, or was incorporated into production;
   f. The subject seats in which it will be installed;
   g. A detailed description and operation of the new buckle;
   h. Whether the "QT"[4] buckle was or will be withdrawn from production and/or sale, and if so, when the QT buckle was or will be withdrawn from production and/or sale and from what child safety seat platforms it was or will be withdrawn from production and/or sale;
   i. When the new buckle will be, or was made available to consumers as a replacement buckle and for which child safety seat platforms;
   j. Whether the new buckle can be interchanged with earlier production car seats which use either a "Signature" or "QT" buckle, and identify by platform those that are and are not interchangeable with the new buckle; and,
   k. For those platforms that are not interchangeable, provide Graco's plan for addressing the alleged defect in these seats.

10. Explain why Graco extended the warranty on the buckle component for the subject child seats from a one year warranty to an unlimited warranty. (See Graco's Response to Question No. 6 in the IR to PE 12-031). Identify the date on which Graco made the decision to extend the warranty, the reason Graco extended the warranty and produce copies of all documents related to Graco's decision to extend the warranty on the buckle component for the subject child seats.

11. In response to question No. 12 at subpart g (2), to PE12-031, Graco stated that its Customer Service Department is assisting subject child seat consumers who contact Graco regarding buckle problems on a "case-by case basis," noting that the circumstances of each contact is assessed "to provide the best remedy." Graco further states that, as a result of the contact, consumers may be provided a remedy in one of the following categories: 1) proper

[2] The release button is hinged at the bottom and it must be pushed in at the top to release.
[3] The release button is floating and the button can be pushed in any location, i.e., top, center, bottom, etc. to release.
[4] Including the modified version of the QT buckle, known as the "QT 3"

unbuckling and/or buckle cleaning instructions (i.e., information), 2) a replacement buckle, 3) a replacement child seat, or 4) a monetary refund. Provide the following information in a table showing the counts for each category, by month and year provided, from the day NHTSA opened PE12-031 to the present, for each of the following:

a. All contacts by consumers regarding or appearing to concern the alleged defect;
b. Contacts that were resolved by a category 1 remedy only;
c. Contacts by consumers that required multiple communications and/or interactions with Graco to resolve a consumer issue regarding or appearing to concern the alleged defect;
d. Contacts that were resolved by a category 2, 3, or 4 remedy, (i.e., hardware shipment or reimbursement);
e. Identify any other remedy offered to a consumer who has contacted Graco regarding or appearing to concern the alleged defect that is not otherwise covered by the categories described above, as well as the number of contacts that were resolved by any other remedy; and,
f. Identify the circumstances under which a consumer contacting Graco regarding the alleged defect is offered a category 1 remedy and the circumstances under which a consumer is offered a category 2, 3 or 4 remedy or some other type of remedy.

12. Describe all measures Graco has taken since the day NHTSA opened PE 12-031 to the present to update, change or modify the instruction manual as it relates to latching and unlatching buckles on the subject child seats. Provide the date(s) on which Graco made the decision to update, change or modify the instruction manual as it relates to the alleged defect, the date(s) on which the update, change or modification went into effect, and all documents related to the decision making process. In addition, explain in detail what is meant by Graco's statement that "[b]ased on the consumer frustration related to difficulty in unlatching buckles, Graco has reinforced its instructions in the car seat manuals that utilize the QT Buckle to better guide the consumer on unlatching the buckle." (See response to Question No. 12, at subpart g, 3(c) in the IR in PE 12-031). Produce all documents related to or which support this statement.

13. In consideration of any additional information accumulated and evaluated in preparation of Graco's response to this letter, furnish an update to Graco assessment of the alleged defect in the subject child seats, 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, that the alleged defect was occurring or that the subject component was malfunctioning; and,
f. The reports included with this inquiry.

Legal Authority for This Request

This letter is being sent to Graco 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.

Civil Penalties

Graco's failure to respond promptly and fully to this letter could subject Graco 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.) The Vehicle Safety Act, as amended, 49 U.S.C. § 30165(a), provides for civil penalties of up to $7,000 per day, with a maximum of $17,350,000 for a related series of violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. *See* 49 CFR 578.6 (as amended by 77 Fed. Reg. 70710 (November 27, 2012)). This includes failing to respond completely to ODI information requests.

If Graco 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, Graco does not submit one or more requested documents or items of information in response to this information request, Graco 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.

Confidential Business Information

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 EA13-001 in Graco's response to this letter and in any confidentiality request submitted to the Office of Chief Counsel.

If Graco 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, Graco 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, to the Office of Chief Counsel (NCC-111), National Highway Traffic Safety Administration, Room W41-227, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. Graco 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 phrase "ENTIRE PAGE CONFIDENTIAL BUSINESS INFORMATION" or "CONTAINS CONFIDENTIAL

BUSINESS INFORMATION" (as appropriate) must appear at the top of each page containing information claimed to be confidential, and the information must be clearly identified in accordance with 49 CFR 512.6. If you submit a request for confidentiality for all or part of your response to this IR, that is in an electronic format (e.g., CD-ROM), your request and associated submission must conform to the new requirements in NHTSA's Confidential Business Information Rule regarding submissions in electronic formats. *See* 49 CFR 512.6(c).

If you have any questions regarding submission of a request for confidential treatment, contact Otto Matheke, Senior Attorney, Office of Chief Counsel at otto.matheke@dot.gov or (202) 366-5253.

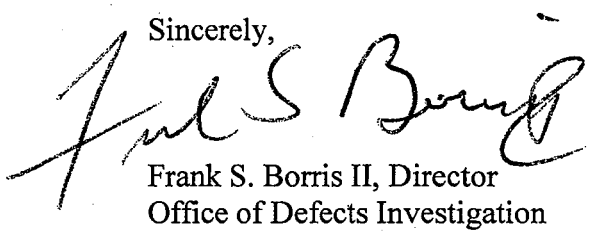
Due Date

Graco's response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by September 12, 2013. If Graco finds that it is unable to provide all of the information requested within the time allotted, Graco must request an extension from Mr. D. Scott Yon at (202) 366-0319 no later than five business days before the response due date. If Graco 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 Graco then has available, even if an extension has been granted.

Please send email notification to Mr. John Abbott at john.abbott@dot.gov and to ODI_IRresponse@dot.gov when Graco sends its response to this office and indicate whether there is confidential information as part of Graco's response.

If you have any technical questions concerning this matter, please call John Abbott of my staff, at (202) 366-5221.

Sincerely,



Frank S. Borris II, Director
Office of Defects Investigation
Enforcement

List of 103 VOQ #'s as cited above:

10260251, 10260619, 10260622, 10260630, 10260861, 10366950, 10397307, 10414471, 10430498, 10456547, 10467797, 10473717, 10481182, 10481219, 10481233, 10481236, 10481243, 10482283, 10482654, 10482941, 10483551, 10483732, 10483940, 10485417, 10486165, 10487751, 10487824, 10488855, 10489296, 10489536, 10489662, 10490292, 10491819, 10493243, 10493351, 10493614, 10493620, 10493649, 10493668, 10493716, 10494411, 10494567, 10494580, 10494635, 10494769, 10494876, 10495042, 10495130, 10495301, 10496034, 10496063, 10496146, 10496344, 10496470, 10497637, 10497771, 10498293, 10498308, 10498468, 10498529, 10499325, 10499426, 10499547, 10499706, 10499718, 10499775, 10500067, 10500604, 10500767, 10500814, 10500828, 10501073, 10501314, 10501480, 10502290, 10502580, 10502711, 10502990, 10504056, 10504076, 10504727, 10504743, 10505061, 10505107, 10505150, 10505393, 10508007, 10508181, 10509096, 10509116, 10510061, 10510620, 10511254, 10511591, 10512725, 10514281, 10516073, 10521015, 10522316, 10524253, 10526254, 10526273, and 10531818.