

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Robert Babcock, Director
Certification and Compliance Affairs
Hyundai-Kia America Technical Center Inc.
6800 Geddes Road
Superior Township, MI 48198

NVS-213swm
PE13-033

Dear Mr. Babcock:

This letter is to inform you that the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) has opened Preliminary Evaluation PE13-033 to investigate allegations of long brake pedal travel and/or reduced brake performance in certain model year (MY) 2009 Hyundai Genesis vehicles manufactured by Hyundai Motor Corporation (Hyundai), and to request certain information.

This office has received 39 reports alleging long brake pedal travel, reduced brake performance and/or brake control module failure in MY 2009 Hyundai Genesis vehicles. In addition, we have received one complaint alleging similar symptoms in a MY 2010 Hyundai Genesis vehicle. A copy of each of the reports is enclosed for your information.

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

- **Subject vehicles:** all MY 2009 Hyundai Genesis manufactured for sale or lease in the United States and federalized territories.
- **Peer vehicles:** all MY 2010 through 2012 Hyundai Genesis and Equus vehicles manufactured for sale or lease in the United States and federalized territories.
- **Subject component:** all Hydraulic Electronic Control Units (HECU) manufactured for use as original equipment or service parts for use in the subject vehicles.
- **Subject service campaign:** Hyundai Service Campaign TL6 and related Technical Service Bulletins 12-01-026, 12-01-026-01, 13-01-006 and 13-01-006-01 regarding brake fluid replacement in certain Genesis and Equus vehicles.
- **Subject recall:** Hyundai Recall Campaign 114 (NHTSA Recall No. 13V-489).

- **Hyundai:** Hyundai Motor Company, Hyundai Motor America, Hyundai-Kia America Technical Center, Inc., all of their 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 Hyundai (including all business units and persons previously referred to), who are or, in or after January 1, 2005, were involved in any way with any of the following related to the alleged defect in the subject vehicles:
 - a. Design, engineering, analysis, modification or production (e.g. quality control);
 - b. Testing, assessment or evaluation;
 - c. Consideration, or recognition of potential or actual defects, reporting, record-keeping and information management, (e.g., complaints, field reports, warranty information, part sales), analysis, claims, or lawsuits; or
 - d. Communication to, from or intended for zone representatives, fleets, dealers, or other field locations, including but not limited to people who have the capacity to obtain information from dealers.

- **Alleged defect:** any one or more of the following symptoms or conditions:
 - 1. All allegations of low brake pedal, long brake pedal travel or soft brake pedal;
 - 2. All allegations of reduced brake performance or extended stopping distance;
 - 3. All allegations of brake control module (HECU) failure or malfunction;
 - 4. All allegations of brake system failures or malfunctions related to brake fluid, including all brake performance complaints in which the repair procedure included brake fluid replacement;
 - 5. All allegations of brake performance issues related to the subject service campaign, including all complaints of brake problems after completion of the campaign procedure; and
 - 6. All allegations of brake performance issues related to the subject recall.

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

1. State, by model and model year, the number of subject and peer vehicles Hyundai has manufactured for sale or lease in the United States or federalized territories. Separately, for each subject vehicle manufactured to date by Hyundai, state the following:
 - a. Vehicle identification number (VIN);
 - b. Model;

- c. Model Year;
- d. Date of manufacture;
- e. Date warranty coverage commenced;
- f. The State in the United States or federalized territory where the vehicle was originally sold or leased (or delivered for sale or lease);
- g. Date subject service campaign completed; and
- h. The State in the United States or federalized territory where the subject campaign was completed.

Provide the table in Microsoft Access 2010, or a compatible format, entitled “PRODUCTION DATA.” See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

2. State, by model and model year, the number of subject and peer vehicles Hyundai has manufactured for sale or lease in the United States and federalized territories for which Hyundai sold an extended service plan. Separately, for each vehicle, state the following (if a vehicle had more than one plan, such as a maintenance plan and an extended service repair plan, then list the vehicle separately for each plan that it had):
 - a. Vehicle identification number (VIN);
 - b. Model;
 - c. Model Year;
 - e. Name of the extended service plan;
 - f. The mileage at which the extended service plan expires; and
 - g. The number of months from the warranty start date at which the extended service plan expires.

Provide the table in Microsoft 2010, or a compatible format, entitled “EXTENDED SERVICE PLAN DATA.” See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

3. State the number of each of the following, received by Hyundai, or of which Hyundai 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;
 - d. Property damage claims;
 - e. Third-party arbitration proceedings where Hyundai is or was a party to the arbitration; and
 - f. Lawsuits, both pending and closed, in which Hyundai 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 Hyundai’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.

4. Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 3, state the following information:
 - a. Hyundai’s file number or other identifier used;
 - b. The category of the item, as identified in Request No. 3 (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 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 2010, or a compatible format, entitled “COMPLAINT DATA.” See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

5. 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, field reports, etc.) and describe the method Hyundai used for organizing the documents.
6. State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by Hyundai 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 or customer satisfaction campaign.

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

- a. Hyundai’s claim number;
- 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. Replacement part number(s) and description(s);
- j. Concern stated by customer;
- k. Cause and correction;
- l. Additional comments, if any, by dealer/technician relating to claim and/or repair;
- m. Whether the claim was included in Hyundai's analysis of warranty claim rates when the subject service campaign was launched in March 2013, as cited in section 573.6(c)(6) of the October 28, 2013 defect notification report letter for the Subject Recall (yes/no);
- n. Whether the claim involves a vehicle that had previously received the repair procedure for the Subject Campaign (yes/no).

Provide this information in Microsoft Access 2010, or a compatible format, entitled "WARRANTY DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

- 7. Describe in detail the search criteria used by Hyundai to identify the claims identified in response to Request No. 6, including the labor operations, problem codes, part numbers and any other pertinent parameters used. Provide a list of all labor operations, labor operation descriptions, problem codes, and problem code descriptions applicable to the alleged defect in the subject vehicles. State, by make and model year, the terms of the new vehicle warranty coverage offered by Hyundai 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 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 and indicate which plans would cover the subject component.
- 8. 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 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 is planning to issue within the next 120 days.
- 9. 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. 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.

10. Describe all modifications or changes made by, or on behalf of, Hyundai in the design, specification, material composition, manufacture, quality control, supply, or installation of the subject component or brake fluid, 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 number(s) (service and engineering) of the original component;
 - e. The part number(s) (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 Hyundai is aware of which may be incorporated into vehicle production within the next 120 days.

11. Produce:
 - a. Exemplar samples of each design version of the HECU valve armatures affected by the alleged defect; and
 - b. Field return samples of the valve armatures exhibiting the subject failure mode.
12. State the number of subject components that Hyundai has sold that may be used in the subject vehicles by component name, part number (both service and engineering/production), and month/year of sale (including the cut-off date for sales, if applicable).

For each component part number, provide the supplier's name, address, and appropriate point of contact (name, title, and telephone number) and identify, by model and model year all vehicles using the part.

13. Provide the following information regarding the subject vehicle brake system and the alleged defect condition:
 - a. Provide a schematic of the brake hydraulic system and describe system operation in each mode of brake control;

- b. Identify all brake system control valves that are affected by the alleged defect condition;
 - c. Provide a detailed description of all brake system diagnostics related to the alleged defect condition;
 - d. Provide a detailed description of the control valve failure mechanism; and
 - e. Provide a detailed description of the effects of the alleged defect on brake system performance.
14. Provide a chronological list of all brake performance testing conducted by or for Hyundai on the subject and peer vehicles, including compliance testing, testing related to internal engineering specifications/requirements and testing related to the alleged defect condition. Provide the following information in the log and provide copies of all related test reports:
- a. Test number;
 - b. Test date;
 - c. Purpose of the test; and
 - d. Summary of test results.
15. Provide a detailed description of Hyundai's process for investigating potential safety defects and making decisions for conducting safety recalls, and produce all documents, including any forms, templates, or other reports or presentation materials that demonstrate, depict, or explain this process or any part of it. Identify which parts, offices, and specific staff are involved in the process or any part of it, whether domestic or international. This information and production request includes, but is not limited to, a request for:
- a. A process flowchart;
 - b. An organizational chart that includes each part of the corporation that is involved in each step of the process;
 - c. The name of the office responsible for conducting and/or managing the investigations;
 - d. A description of Hyundai's process for documenting each stage of the process, including date opened, date closed, other meeting dates and all actions planned or completed at each;
 - e. A description of all reports and presentation materials associated with stages of the process, e.g., Quality Information Reports and final report(s) for decision makers; and
 - f. Copies of all such reports and presentation materials associated with Hyundai's review of the alleged defect in the subject vehicles for each related field action decision, including the subject service campaign, campaign revisions and the subject recall.
 - g. Copies of any standardized reports, forms, templates, presentation guidelines, or any other materials that demonstrate or depict the information or content that is typically provided to Hyundai management, whether domestic or international in deciding whether to perform a corrective field action to address a safety concern, including but not limited to a concern that rises to the level of a safety recall.
 - h. To the extent not addressed in your earlier responses, describe what role or input, if any, Hyundai Motors America (HMA) and Hyundai-Kia America Technical Center, Inc. (HATCHI), have in Hyundai's process for investigating, making defect determinations and safety recall decisions. Identify which parts, offices, and specific staff are involved in the process or any part of it, whether domestic or international.

16. Provide the following information regarding the subject service campaign, and produce copies of all documents that support your response or demonstrate or document the information you provide:
 - a. Provide a detailed description of the brake fluid condition addressed by the campaign, including the names of all sources/suppliers, assembly plants, and production period(s) affected;
 - b. Provide a chronology describing Hyundai's investigation of the brake fluid condition and its effects on the subject component and brake system performance in the subject and peer vehicles;
 - c. Explain the purpose for the campaign and why the campaign bulletin does not state the reason for the brake fluid replacement;
 - d. Describe how the problem was corrected in production and how Hyundai determined the scope of potentially affected vehicles;
 - e. Describe, and provide copies of documents related to, all other dealer communications related to the brake fluid condition addressed by the campaign or to the diagnosis and repair of related brake performance complaints;
 - f. Provide copies of all owner communications related to the brake fluid condition addressed by the campaign;
 - g. Explain why Hyundai did not notify consumers about the campaign, the brake fluid issue or the possible effects on brake system performance;
 - h. Describe how Hyundai evaluated the safety consequences of the condition, including:
 - i) Analysis of field data for effects and potential safety consequences;
 - ii) Analysis of field data for failure rates and trends, including analysis by build range, time in service, mileage, region or other factors;
 - iii) All testing performed to assess effects on brake system performance (i.e., cite which, if any, of the tests identified in response to Request #14 were used by Hyundai in its assess of the safety risk associated with the alleged defect); and
 - iv) Explain why the campaign was not conducted as a safety recall.
17. Provide the following information regarding the Subject Recall, and produce copies of all documents that support your response:
 - a. Explain how Hyundai determined the scope of affected vehicles; and
 - b. Explain how Hyundai validated the effectiveness of the repair procedures.
18. Provide counts, by model and model year, of worldwide sales of all other Hyundai products potentially affected by the alleged defect (i.e., with the same HECU control valve plating and brake fluid chemistry issues as the subject vehicles) and provide a table summarizing all actions taken by Hyundai to address the issue in markets outside the United States by country/market, date of action, description of action (e.g., safety recall, service campaign, warranty adjustment, no action), volume of affected vehicles and failure counts and rates at the time of the field action decision.
19. Provide a chronological summary of all communications with the subject component supplier related to the brake fluid condition addressed by the subject service campaign and subject safety recall, including the effects on the operation of the subject component and on brake system performance and provide copies of all documents received or sent by Hyundai as part

of such communications or which relate in any way to Hyundai's internal reviews of such communications.

20. Furnish Hyundai's assessment of the alleged defect in the subject vehicle, including:
- a. The causal or contributory factor(s);
 - b. The failure mechanism(s);
 - c. The failure mode(s);
 - d. The risk to motor vehicle safety that it poses;
 - e. What warnings, if any, the operator and the other persons both inside and outside the vehicle would have that the alleged defect was occurring or subject component was malfunctioning; and
 - f. The reports included with this inquiry.

Legal Authority for This Request

This letter is being sent to Hyundai 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

Hyundai's failure to respond promptly and fully to this letter could subject Hyundai 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(b), 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 Hyundai 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, Hyundai does not submit one or more requested documents or items of information in response to this information request, Hyundai 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 PE13-033 in Hyundai's response to this letter and in any confidentiality request submitted to the Office of Chief Counsel.

If Hyundai 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, Hyundai 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. Hyundai 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) (as amended by 72 Fed. Reg. 59434 (October 19, 2007)).

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

Hyundai's response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by January 14, 2014. If Hyundai finds that it is unable to provide all of the information requested within the time allotted, Hyundai must request an extension from me at (202) 366-5207 no later than five business days before the response due date. If Hyundai 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 Hyundai then has available, even if an extension has been granted.

Please send email notification to Stephen McHenry at stephen.mchenry@dot.gov and to ODI_IRresponse@dot.gov when Hyundai sends its response to this office and indicate whether there is confidential information as part of Hyundai's response.

If you have any technical questions concerning this matter, please call Stephen McHenry of my staff at (202) 366-4883.

Sincerely,

Jeffrey L. Quandt, Chief
Vehicle Control Division
Office of Defects Investigation

Enclosure 1, one CD-ROM titled Data Collection Disc containing four Microsoft Access database template files and copies of the VOQs.

VOQs: 10549750, 10549634, 10549629, 10549567, 10549402, 10549376, 10549270, 10549228, 10549186, 10549021, 10548903, 10548823, 10548791, 10548737, 10548722, 10548716, 10548705, 10546565, 10544803, 10543663, 10542962, 10541959, 10541741, 10538208, 10537934, 10536652, 10535436, 10533459, 10525812, 10525123, 10523412, 10523044, 10514041, 10511037, 10510525, 10502374, 10499922, 10497935, 10492198, 10491494.