INFORMATION Redacted PURSUANT TO THE FREEDOM OF INFORMATION ACT (FOIA), 5 U.S.C. 552(B)(6)



Hyundai Motor America 10550 Talbert Avenue Fountain Valley, CA 92708 T (714) 965 3000 F (714) 965 3816 Hyundai.com

March 23, 2017

Mr. Stephen Ridella Director, Office of Defects Investigation Office of Enforcement 1200 New Jersey Avenue, S.E. Washington, D.C. 20590

Re: <u>NEF-103jfa</u>, PE16-018

Dear Mr. Ridella:

On behalf of Hyundai Motor Company, Hyundai Motor America's ("HMA") is submitting a response to your January 18, 2017 information request regarding PE16-018. This inquiry concerned Model Year ("MY") 2013 Hyundai Sonata vehicles.

Please note that some of the responses contain confidential business information of which HMA and its supplier, TRW Automotive, is requesting confidential treatment. A copy of the response with the confidential information redacted is provided with this letter. A copy of the response containing the confidential information is being sent to the Office of Chief Counsel.

Please be advised that the information provided in this response is current as of March 17, 2017. In accordance with this request, HMA has conducted reasonable, good faith searches of corporate records available from those departments knowledgeable about the subject matter of this inquiry and is providing records responsive to your request. Hyundai's response to this Information Request was based on searches of locations where documents determined to be responsive to the information request would normally be found and in consultation with current personnel knowledgeable about the information requested. As a result, the scope of this search did not include, nor could it reasonably include, "all of its past and present officers and employees, whether assigned to principal offices or any field or other location, including all divisions, subsidiaries (whether or not incorporated) and affiliated enterprises and all of 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:

Mr. Stephen Ridella Re: NEF-103jfa, PE16-018 March 23, 2017 Page 2

- 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, recordkeeping 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 people who have the capacity to obtain information from dealers."

Furthermore, Hyundai objects to the definition of "document(s)" in the information request ("IR") as unreasonably broad, vague, and ambiguous in the context of the information sought by this IR.

Additionally, Hyundai believes NHTSA's policy is to protect the privacy of individuals under exemption 6 of the Freedom of Information Act, 5 U.S.C. Section 552(b)(6). The name, address, and other personal information of owners or other individuals, including Hyundai personnel, contained in any of the attachments in this response should not be made available to the public. Therefore, Hyundai is not requesting confidential treatment for this information pursuant to 49 CFR, Part 512, but we believe any private information concerning individuals should not be made public.

Hyundai construes the Information Request as pertaining to vehicles manufactured for sale in the United States and its territories.

Mr. Stephen Ridella Re: <u>NEF-103jfa, PE16-018</u> March 23, 2017 Page 3

- 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. For each subject and peer vehicle manufactured to date by Hyundai, state the following:
  - a. Vehicle identification number (VIN);
  - b. Date of manufacture;
  - c. Date warranty coverage commenced;
  - d. Hyundai selling dealer identification number/code; and
  - e. 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 or Excel 2010, or a compatible format, entitled "PRODUCTION DATA."

Response to Request 1:

Make	Model		Units Manufactured	
Hyundai	Sonata	2011	289,965	
		2012	179,190	
		2013	287,912	
		2014	132,507	
	Sonata Hybrid (HV)	2011	11,708	
		2012	22,231	
		2013	25,582	
		2014	11,503	
		2015	17,200	

Please refer to attachment "PE16-018 PRODUCTION DATA.xlsx" in the folder "Response to Request 1" on the enclosed CD-ROM for the requested information in questions (a)-(e). The peer vehicles have been identified as those vehicles that are equipped with the identical seat belt anchor pretensioner and connector as the ones contained in the subject vehicles.<sup>1</sup>

2. 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:

<sup>&</sup>lt;sup>1</sup> Although "peer vehicles" is undefined in the Information Request, Hyundai and NHTSA discussed the appropriate peer vehicles to be included in this response, based on differences in the seat belt pretensioners,

Mr. Stephen Ridella Re: <u>NEF-103jfa</u>, <u>PE16-018</u> March 23, 2017 Page 4

- 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.

Response to Request 2:

Hyundai manually reviewed all potentially responsive reports related to seat belt assemblies in the subject and peer vehicles. Because the alleged defect can carry multiple conditions perceived by the customer, the following categories have been defined:

**Category 1 (A)** – Report of a loose or detached seat belt pretensioner found by the customer (vehicle operation unconfirmed).

Category 2 (B) – Report of a seat belt becoming detached during vehicle operation.

Mr. Stephen Ridella Re: <u>NEF-103jfa, PE16-018</u> March 23, 2017 Page 5

	Sonata		Sonata HV	
	Α	B	A	B
Consumer Contacts	3	1	0	1
Field Reports (incl. dealer field reports)	0	0	0	0
Property Damage Claims	0	0	0	0
Arbitration	0	0	0	0
Lawsuits	0	0	0	0
Crashes	0	1	0	1
Injuries	0	1	0	0
Unique VIN Total	3	1	0	1

Please refer to the following table for the requested information:

- 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'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), street address, email address and telephone number;
  - d. Vehicle's VIN;
  - e. Vehicle's model;
  - f. Vehicle's model year;
  - g. Vehicle's mileage at time of incident;
  - h. Incident date;
  - i. Report or claim date;
  - j. Whether a crash is alleged;
  - k. Whether a fire is alleged;
  - 1. Whether property damage is alleged;
  - m. Number of alleged injuries, if any; and
  - n. Number of alleged fatalities, if any.

Provide this information in Microsoft Access or Excel 2010, or a compatible format, entitled "COMPLAINT DATA."

Mr. Stephen Ridella Re: <u>NEF-103jfa, PE16-018</u> March 23, 2017 Page 6

#### Response to Request 3:

Please refer to the first tab of attachment "PE16-018 COMPLAINT DATA.xlsx" in the folder "Response to Request 2 and 3" on the enclosed CD-ROM for the requested information.

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 used for organizing the documents. Describe in detail the search methods and search criteria used by Hyundai to identify the items in response to Request No.2.

#### Response to Request 4:

Please refer to the attachments in Excel format in the folder "Response to Request 4" on the enclosed CD-ROM for the requested information.

5. State 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), street address, email address and telephone number;
- c. VIN;
- d. Vehicle's model;
- e. Vehicle's model year;
- f. Repair date;
- g. Vehicle mileage at time of repair;
- h. Repairing dealer's or facility's name, telephone number, city and state or ZIP code;
- i. Labor operation number(s);
- j. Problem code(s);
- k. Diagnostic trouble code(s);
- 1. Replacement part number(s) and description(s);
- m. Whether there was a claim for a towing expenses on or near the date of the repairs to the subject components;
- n. Concern stated by customer;
- o. Cause as stated on the repair order;

Mr. Stephen Ridella Re: <u>NEF-103jfa, PE16-018</u> March 23, 2017 Page 7

- p. Correction as stated on the repair order; and
- q. Additional comments, if any, by dealer/technician relating to claim and/or repair.

Provide this information in Microsoft Access 2010, or a compatible format, entitled "WARRANTY DATA."

Response to Request 5:

Please refer to the following table for the requested information.

	Sonata		Sonata HV	
	А	В	A	В
Warranty Claims	6	0	1	0
Unique VIN Total	6	0	1	0

Please refer to the attachment in Excel format in the folder "Response to Request 5" on the enclosed CD-ROM for the requested information in questions (a)-(q).

6. Describe in detail the search methods and search criteria used by Hyundai to identify the claims in response to Request No.5, including the labor operations, problem codes, diagnostic trouble 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, diagnostic trouble codes and diagnostic trouble code descriptions applicable to the alleged defect in the subject vehicles. State whether the diagnostic trouble codes are automatically reported to the warranty database electronically or manually entered into the warranty database by a claims administrator.

State 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.

### Response to Request 6:

For all warranty information sources, Hyundai identified all part numbers related to the description of the subject components and searched for all claims containing these part numbers as replacement parts. Each claim was manually reviewed to determine its relation to the alleged defect.

Mr. Stephen Ridella Re: <u>NEF-103jfa, PE16-018</u> March 23, 2017 Page 8

Please refer to the following tables for a list of all operation codes and problem nature codes related to the alleged defect in the subject vehicles. There is no diagnostic trouble code applicable to the alleged defect.

<b>Operation Code</b>	Description	
88815R00	ANCHOR PRETENSIONER ASSY (LH)	
88815R0R	ANCHOR PRETENSIONER ASSY (RH)	
88810R0R	FRONT SEAT BELT (RH)	
88810R00	FRONT SEAT BELT (LH)	

Nature Code	Description
N94	INOPERATIVE
N86	FALLING OFF, SAGGED
N59	BROKEN, CRACK
I92	SEAT BELT INOPERABLE LOCK/UNLO

The standard new vehicle warranty coverage for the subject and peer vehicles is 5 years or 60,000 miles.

For extended warranty coverage options, Hyundai offers four (4) levels of coverage for any new or certified-preowned Hyundai vehicle:

Option	Coverage		erms	
		Minimum	Maximum	
CPO & Powertrain	Engine Transmission Drive Axles	12 Mo. / 12,000 Mi.	120 Mo. / 120,000 Mi.	
Gold	All Powertrain Climate Control Shocks & Suspension Fuel Systems Electrical Systems	12 Mo. / 12,000 Mi.	120 Mo. / 120,000 Mi.	
Platinum	All Gold Steering Systems CV Boots Navigation & Audio	12 Mo. / 12,000 Mi.	120 Mo. / 120,000 Mi.	
Term Protection Plus ("TPP")	Expanded coverage to include Brake Pads, Battery, Headlamps, Wipers, Alignment, Belts, Hoses, Fluids	24 Mo. / 24,000 Mi.	48 Mo. / 60,000 Mi.	

Mr. Stephen Ridella Re: <u>NEF-103jfa, PE16-018</u> March 23, 2017 Page 9

Mileage expiration intervals are selected by the customer. For details please refer to http://www.hmfusa.com/hpp-overview.

The numbers of subject and peer vehicles, new and certified preowned, sold with extended warranty options are provided in PDF format in the folder "Response to Request 6" on the enclosed CD-ROM.

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 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.

### Response to Request 7:

Please refer to the attachment in PDF format in the folder "Response to Request 7" on the enclosed CD-ROM for the requested information.

- 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 or peer 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.

#### Response to Request 8:

Please refer to the attachment "Action List.pdf" in the folder "Response to Request 8" on the enclosed CD-ROM for the requested information for a through f. Copies of all related documents are also provided in PDF format in the same folder. Please note that

Mr. Stephen Ridella Re: <u>NEF-103jfa, PE16-018</u> March 23, 2017 Page 10

some of the attachments contain confidential business information of which HMA and its supplier, TRW Automotive, is requesting confidential treatment

- 9. Describe all modifications or changes made by Hyundai, or on behalf of Hyundai, in the design, material composition, manufacture, quality control, supply, or installation of the subject component, from the start of production to date, which relate to, or may relate to, the alleged defect in the subject or peer 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.

#### Response to Request 9:

Through the lifecycle of this subject component, design changes or modifications were not made. Hyundai's supplier of the subject component, ZF TRW, did institute manufacturing process changes throughout the lifecycle of this subject component. See the attachments provided in response to the question above, Request 8 for more specific responses to questions (a)-(h).

10. Furnish Hyundai'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 a subject component was malfunctioning; and
- f. The reports included with this inquiry.

Mr. Stephen Ridella Re: <u>NEF-103jfa</u>, <u>PE16-018</u> March 23, 2017 Page 11

### Response to Request 10:

The front seat belt assemblies in the subject and peer vehicles incorporate a seat belt anchor pretensioner fastened to the vehicle's inner sill structure. During vehicle assembly, the anchor pretensioner is fastened to the sill prior to being connected to the seat belt linkage. If, during vehicle assembly, the connector does not fully latch when the linkage is pressed onto the connector, the seat belt can detach from the pretensioner when an adequate amount of force is applied. Early reports indicated that the customer may be able to detect a condition of a loose or detached seat belt when fastening the seat belt and prior to operation of the vehicle; however, since August 2016, Hyundai has received two incidents of accidents involving seat belt detachment. Based on this information, Hyundai determined that a potential safety-related defect may exist in the seat belt anchor pretensioners equipped in the subject and peer vehicles and notified the agency of its intent to conduct a recall on March 9, 2017.

Sincerely,

Steve Johnson

Steve Johnson Director, Engineering and Design Analysis

cc: John Abbott

#### Attachments:

Two CDs containing:

- 1. Response to Request 1
- 2. Response to Request 2 and 3
- 3. Response to Request 4
- 4. Response to Request 5
- 5. Response to Request 6
- 6. Response to Request 7
- 7. Response to Request8