

June 27, 2019

VIA FEDERAL EXPRESS

Paul Simmons
Chief, Vehicle Defect Division C
National Highway Traffic Safety Administration
Office of Defect Investigations (ODI)
1200 New Jersey Avenue, SE
Washington D.C. 20590

RE: PE19-003 6/28/19 Response to Agency Information Request

Dear Mr. Simmons:

Enclosed is Hyundai Motor America's ("HMA") first response to the Office of Defect Investigation's ("ODI") April 12, 2019 Information Request with regard to PE19-003, an inquiry into non-crash vehicle fires, as amended on May 23, 2019.

As agreed upon in the May 23, 2019 amendment, today HMA is responding only to Request Nos. 1, 2, 3 and 5 and producing the production data, counts, and related information for all Theta II-equipped vehicles for only model year ("MY") 2011-2014 Hyundai Sonatas and Santa Fes (inclusive of Santa Fe Sport throughout this response) in all alleged defect categories (A, B, C, and D).

Please note that in this production, HMA is producing again the information previously produced in response to DP18-003.

I. Confidential Business Information and Freedom of Information Act Protections

Please note that this response contains confidential business information for which HMA is requesting confidential treatment. HMA has provided all non-confidential attachments and a redacted version of all documents that contain confidential information along with this response. HMA has provided one copy of its response with the confidential information redacted, and two copies of its response containing the confidential information to the Office of Chief Counsel.

HMA believes NHTSA's policy is to protect the privacy of individuals under exemption 6 of the Freedom of Information Act, 5 U.S.C. § 552(b)(6). Therefore, we believe any private information concerning individuals should not be made public. This includes the name, address, VIN, and other personal information of owners or other individuals, including HMA personnel, contained in any of the attachments in this response, none of which should be made available to the public.

II. General Objections

The General Objections set forth below are incorporated by reference into HMA's responses to the Information Request. These General Objections are deemed continuing as to each subpart of the Request, and are not waived, nor in any way limited, by the specific responses to a subpart, nor should the failure to specifically incorporate the General Objections be construed as

a waiver. Moreover, any applicable, good faith objection not raised in this section shall not be interpreted as a waiver.

The information provided in this response is current as of June 28, 2019, and reflects HMA's best understanding of the data as of this date. HMA has made a good faith effort to collect the information necessary to respond to the Information Request and reserves the right to amend and/or supplement this response, as appropriate. HMA reserves the right to recapture privileged or otherwise protected or exempted documents that may have been inadvertently produced in response to this Information Request. Any inadvertent production of privileged material is not, and should not be interpreted as, a waiver of any applicable privilege.

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. However, HMA objects to the definition of "document(s)" in the Information Request is unreasonably broad, vague, and ambiguous in the context of the information sought by this Information Request.

HMA's response to this Information Request was based on good faith 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.

HMA searched for and produced documents responsive to this Information Request using the definition of "fire" as contained in 49 CFR § 579.4. That production is made subject to and without waiver of HMA's objection to the definition of "fire" as being unreasonably broad, vague, and ambiguous in the context of the information sought by this Information Request. The 49 CFR § 579.4 definition of "fire" also includes "thermal events and fire-related phenomena such as smoke and melt." "Fire" as so defined results in HMA producing a significant quantity of documents and data referring to potentially fire-related phenomena standing alone (such as "smoke" or "melt") without any evidence of flame, burning, or combustion. The definition of "fire" is unreasonably broad, vague, and ambiguous in the context of the information sought by this Information Request.

HMA searched for and produced documents responsive to this Information Request using the definition of "subject vehicles" contained in the Information Request. That production is made subject to and without waiver of HMA's objection to the definition of "subject vehicles," which is overbroad and makes this Information Request unreasonably broad in scope given the significantly lesser scope of DP18-003 and the ODI Opening Resume for PE19-003. The Center for Auto Safety's (CAS) June 11, 2018 letter petitioned the agency to initiate a safety defect investigation into non-collision related fires on MY 2011-2014 Kia Optima and Sorento vehicles, and Hyundai Sonata and Santa Fe vehicles. The CAS July 24, 2018 letter requested that MY 2010-2015 Kia Soul vehicles be added to the petition. ODI had already opened a Recall Query (RQ17-004) on all HMA vehicles equipped with Theta II engines for engine failures that may cause stalling and fires. RQ17-004 covers most of the DP18-003 subject Sonata and Santa Fe vehicles. ODI opened DP18-003 on August 21, 2018 and granted the CAS petition on March 29, 2019 by opening PE19-003. PE19-003 was "opened to assess the scope, frequency, and potential safety-related consequences of alleged defects relating to non-collision vehicle fires in the 2011-2014 Sonata Investigation and

2011-2014 Santa Fe. While prior recalls of vehicles covered by this PE have primarily related to engine fires, NHTSA's Preliminary Evaluation is not limited to engine components and may cover additional vehicle systems or components as well." Despite the PE being limited to MY 2011-2014 Sonata and Santa Fe vehicles, and the agency's focus on the Theta II engines, this Information Request was expanded to all HMA vehicles of all model years equipped with Theta II, Lambda II, Gamma and Nu engines. In addition, the agency initially requested information regarding engine stalling and/or seizures that did not result in engine compartment fires for the Lambda II, Gamma and Nu engines, although per the May 23, 2019 amendment the agency has held that request in abeyance. The scope of the Information Request goes beyond "additional vehicle systems or components" in the MY 2011-2014 Sonata and Santa Fe vehicles, and HMA objects to the expansion of the Information Request beyond MY 2011-2014 Sonata and Santa Fe vehicles.

III. Specific Responses

Request No. 1

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

- a. Vehicle identification number (VIN);
- b. Make;
- c. Model;
- d. Model year;
- e. Engine (by type, displacement and company engine code);
- f. Whether the vehicle is covered by Recall(s) 15V-568, 17V-226, 18V-934, and/or 19V-063 and/or the Knock Sensor Detection System (KSDS) campaign, and if so, specifically identify the recall(s) and/or campaign;
- g. Remedy/repair date(s) of vehicle for each the above-mentioned recall(s) and/or KSDS campaign;
- h. Date of manufacture;
- i. Date warranty coverage commenced; and
- j. 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 2010, or a compatible format, entitled "PRODUCTION DATA."

Response to Request No. 1

HMA is providing a response at HMA PE19-003 000001 with the requested information for all Theta II-equipped MY 2011-2014 Hyundai Sonata and Santa Fe vehicles. Please note that Recall 19V-063 relates only to the Hyundai Tucson and is not covered by the scope of this response.

Request No. 2

State by model, model year, and alleged defect category (i.e. A, B, C and D), the number of each of the following, received by Hyundai, or of which Hyundai is otherwise aware, which relate to, or may relate to, any of the alleged defects in the subject vehicles:

- a. Consumer complaints, including those from fleet operators;
- b. Field reports, including dealer field reports;
- c. Reports involving a fire, 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 No. 2

HMA is providing a response at HMA PE19-003 000002 with the available requested information for all Theta II-equipped MY 2011-2014 Hyundai Sonata and Santa Fe vehicles.

HMA is providing the total number of each item requested in subparts (a) through (f). The claims responsive to Request No. 2 fit into six categories: (1) consumer complaints; (2) field reports; (3) dealer field reports; (4) legal claims (including property damage); (5) third-party arbitrations; and (6) lawsuits. HMA notes that subpart (c) of Request No. 2 requests reports involving "fires," which are subsumed within the other categories of claims in HMA's response because each of the responsive claims are related to "non-crash fires" with "fire" as defined in 49 CFR § 579.4. To the extent there is any other occurrence referenced in subpart (c) (such as an injury), HMA has noted it in its response to Request No. 3.

Regarding legal claims that relate to subparts (c) through (f), HMA is providing the total number of such claims and basic information about each claim, and will supplement its response with the requested summaries when it produces the underlying documents in response to Request No. 4 as part of its ongoing rolling document productions, subject to HMA's attorney-client and/or work product privilege.

Some consumer complaints give rise to further investigation that may result in an associated investigation report. HMA claims work product privilege over those reports either in whole or in

part. HMA will supplement its response with a total number of consumer complaints that have an associated investigation report relating to items (c) through (f) and with the requested summaries when it produces the underlying documents in response to Request No. 4 as part of its ongoing rolling document productions, again subject to HMA's attorney-client and/or work product privilege.

For subparts (e) and (f), HMA has identified 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.

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. Alleged defect category (i.e., A, B, C or D);
- b. Hyundai's file number or other identifier used;
- c. The category of the item, as identified in Request No. 2 (i.e., consumer complaint, field report, etc.);
- d. Vehicle owner or fleet name (and fleet contact person), street address, email address and telephone number;
- e. Vehicle's VIN;
- f. Vehicle's make, model and model year;
- g. Vehicle's mileage at time of incident;
- h. Incident date;
- i. Report or claim date;
- j. Whether property damage is alleged;
- k. Number of alleged injuries, if any;
- l. Number of alleged fatalities, if any; and
- m. For property damage claims, the amount paid and, expressed as a percentage, the ratio of the amount paid to the amount claimed in the original demand.

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

Response to Request No. 3

HMA is providing a response at HMA PE19-003 000003 with the available requested information for all Theta II-equipped MY 2011-2014 Hyundai Sonata and Santa Fe vehicles.

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 that relate to, or may relate to, the alleged defects in the subject 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. 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(s);
- h. Problem code(s);
- i. Diagnostic trouble code(s);
- j. Replacement part number(s) and description(s);
- k. Whether there was a claim for a towing expense on or near the date of the repairs to the subject components;
- l. Concern stated by customer;
- m. Cause as stated on the repair order;
- n. Correction as stated on the repair order; and
- o. Additional comments, if any, by the dealer/technician relating to the claim and/or repair.

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

Response to Request No. 5

HMA is providing a response at HMA PE19-003 000004 with the available requested information for all Theta II-equipped MY 2011-2014 Hyundai Sonata and Santa Fe vehicles. HMA does not collect warranty data by labor code or operation, but rather conducts word searches of its warranty database and a manual review of each warranty claim to determine whether or not it is responsive to the Information Request.

HMA will continue its response pursuant to the deadlines present in the amended information request, will seasonably supplement its answers as described in this Response, and generally reserves the right to amend and/or supplement this response, as appropriate.

Sincerely,

Alexandra Favone FOR

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Enclosures

cc: Mr. Jonathan Morrison, Chief Counsel

Certificate of Corporate Responsibility for Reports

I, Wayne Gates, pursuant to the provisions of 49 U.S.C. § 30166, state as follows:

1. I am the Director Engineering & Design Analysis and I am authorized by HMA to execute this certificate on its behalf.
2. I have reviewed the June 27, 2019 PE19-003 submission and, based on my knowledge, the submission does not contain any untrue statement of a material fact; or omit to state a material fact necessary in order to make the statements made not misleading, in light of the circumstances under which such statements were made.
3. I directed that a good faith inquiry be conducted that would be reasonably calculated to assure that the answers and production of documents are complete and correct, and that documents within the possession, custody, and control of HMA be searched diligently for information and documents responsible to the Information Request and produced to NHTSA.
4. Based on information provided to me, inquiry has been made of the persons and offices reasonably calculated to have responsive information and documents, and the answers to the Information Request are correct based upon HMA's investigation to date.
5. HMA's investigation is ongoing, HMA reserves the right to supplement or clarify these responses if it deems appropriate to do so.
6. I certify under penalty of perjury that the foregoing is true and correct.

Executed this 27th day of June, 2019



Wayne Gates
Director
Engineering and Design Analysis
Hyundai Motor America

Certificate in Support of Request for Confidentiality

I, Wayne Gates, pursuant to the provisions of 49 C.F.R. Part 512, state as follows:

1. I am the Director for Engineering and Design Analysis and I am authorized by Hyundai Motor America ("HMA") to execute this certificate on its behalf.
2. I certify that the information contained in the attached document related to HMA's June 27, 2019 PE19-003 submission is confidential and proprietary data and is being submitted with the claim that it is entitled to confidential treatment under 5 U.S.C. 552(b)(4) (as incorporated by reference in and modified by the statute under which the information is being submitted).
3. I hereby request that the information contained in the enclosed be protected on a permanent basis.
4. This certification is based on the information provided by the responsible HMA personnel who have authority in the normal course of business to release the information for which a claim of confidentiality has been made to ascertain whether such information has ever been released outside HMA.
5. Based upon that information, to the best of my knowledge, information and belief, the information for which HMA has claimed confidential treatment has never been released or become available outside HMA.
6. I make no representations beyond those contained in this certificate and, in particular, I make no representations as to whether this information may become available outside HMA because of unauthorized or inadvertent disclosure.
7. I certify under penalty of perjury that the foregoing is true and correct.

Executed this 27th day of June, 2019



Wayne Gates
Director
Engineering and Design Analysis
Hyundai Motor America