

SETRA
LUXURY COACHES
Setra of North America, Inc.

RECEIVED
NVS-215

2004 MAY -6 P 12:54

OFFICE OF
DEFECTS INVESTIGATION

8012-B High Point Rd.
Greensboro, NC 27407
OFFICE TEL: (336) 878-5400
800-882-8054
MAIN FAX: (336) 879-5410
E-Mail: setrausa@setrausa.com
WEB SITE: www.setrausa.com

April 29, 2004

Mr. Kenneth N. Weinstein
National Highway Traffic Safety Administration
400 Seventh Street S.W. (NSA-01)
Washington, DC 20590

Re: Part 573 – Defect Report

Dear Mr. Weinstein,

Pursuant to the requirements of 49 C.F.R. Part 573, Setra of North America, Inc. ("Setra") as the importer of motor coaches manufactured by EvoBus GmbH submits this report regarding a potential defect related to motor vehicle safety in certain Setra S417 motor coaches.

Part 573.6 (c)(1) – Manufacturer Name

EvoBus GmbH, Ulm, Germany

Designated Agent:
Setra of North America, Inc.,
8012-B High Point Road
Greensboro, NC 27407

Part 573.6 (c) (2) – Vehicle Identification

The affected vehicles are Model Year 2003 and 2004 Setra Model S417 motor coaches (36-58 passengers). These "affected vehicles" include those buses bearing the Serials #'s WKKA34AD843000038 – WKKA34ADX43000055; WKKA34AD443000083 – WKKA34AD843000085; WKKA34AD343000107; WKKA34AD543000108; WKKA34AD743000112 – WKKA34AD743000157 and specifically include all model S417 Coaches produced from July 2003 to March 2004, with fuel tanks manufactured by Nowotech (Part number A 629 470 17 01 (left side) and A 629 470 17 02 (right side)).

The vehicles affected were determined through an analysis of production records. All Motor coaches with tanks supplied by Manufacturer Nowotech were selected. Selection can also be verified in the field by the part number stated above which is affixed to the fuel tank.

219

04V-219
(4 pages)



Part 573.6 (c) (3) – Affected Vehicles

At total of up to 71 motor coaches are potentially affected.

Part 573.6 (c) (4) - % Affected

100 % of the subject vehicles described above are affected

Part 573.6 (c) (5) – Description

Setra has determined that in certain S417 motor coach vehicles, the fuel tank could develop a leak. Specifically, the fuel tanks installed on affected vehicles may develop cracks as the result of vibration of the tank side panel located in the area of the lower connection tube during normal driving conditions. The vibration causing the problem was due to missing internal supports (additional baffle plates) on the tank side panel. Normally, when present, these baffle plates provide sufficient support to prevent excessive vibration of the nature experienced by affected vehicles. The cause of the missing baffles was the fuel tank supplier's inadvertent failure to install the required baffle plates during fuel tank manufacturer..

Cracks caused by excessive vibration may lead to the escape of fuel. Escaping fuel may drop directly downwards to the pavement, thereby causing a potential fire hazard. Setra notes, however, that escaping fuel should not come into contact with high temperature vehicle components such as the turbocharger or exhaust components. Regardless, Setra is notifying you and its affected customers of this potential defect that may be related to safety.

In order to correct this issue in the supplier's assembly facility, Nowotech changed production of the fuel tanks by installing additional internal baffle plates. This measure guarantees sufficient support of the tank side panels. In order to ensure that this type of problem does not arise in the future, Nowotech has amended its quality assurance and quality control program to include a check of specifications as part of the final inspection prior to release. In addition, EvoBus will also include a specific review of the fuel tanks before they are installed into the vehicles as part of the Company's QA/QC inspection program. This redundant double check system will assure compliance with all engineering and manufacturing specifications.

Supplier:

Nowotech GmbH
Industriestraße 5
73054 Eislöwen
Germany

Mr. Juergen Nowotny CEO



Part 573.6 (c) (7) – Chronology of Principal Events

After receiving complaints from several customers in the United States regarding leaking fuel tanks, Setra contacted the manufacturer, EvoBus GmbH and shipped them to Neu-Ulm, Germany, for examination and inspection by the manufacturer in conjunction with the supplier. The results of that inspection demonstrated that the cause of the cracks in the fuel tanks were due to conditions that occurred during the manufacturing process. Specifically, as outlined above, a necessary stabilizing part was not installed in the affected tanks.

Setra has received no reports of accidents, fires, injuries or deaths caused by the alleged defect. Regardless, Setra is recalling all affected vehicles to ensure fuel tanks with proper stabilization are installed on its vehicles.

Part 573.6 (c) (8) (i) – Remedy Program

Setra is conducting a voluntary recall campaign for the affected vehicles, which will be performed at no charge to vehicle owners. As part of the recall plan, Setra will send technicians to inspect affected vehicles at customer locations and to replace fuel tanks supplied by Nowotech on all affected vehicles.

Part 573.6 (c) (8) (ii) – Customer Notification

Direct contact with the affected customers will be undertaken by Setra in addition to written notification pursuant to Part 577. Specifically, Setra's Field Service Representatives in each region of the United States will contact customers to arrange for inspection of customer vehicles and replacement of fuel tanks. Setra expects that the remedy program will be complete by August 31, 2004.

Part 573.6 (c) (10) – Copies of Proposed Owner Notification Letter

A copy of the customer letter is enclosed.

Setra Contact:

Mr. Joe Davis
Assistant Vice President
(336) 878-5425

Please do not hesitate to contact us if you have any questions regarding this matter. Thank you for your consideration.

Best regards,

Joe Davis
Assistant Vice President



6012-B High Point Rd.
Greensboro, NC 27407
OFFICE TEL: (336) 878-5400
800-882-8054
MAIN FAX: (336) 878-5410
E-Mail: setrausa@setrausa.com
WEB SITE: www.setrausa.com

Safety Recall #[]

____, 2004

Dear Setra Owner,

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. WE SENT YOU THIS NOTICE BECAUSE WE ARE CONCERNED ABOUT YOUR SAFETY.

Setra of North America, Inc. ("Setra") has decided that a defect which relates to motor vehicle safety exists in certain 2003/2004 motor coaches. Setra has therefore initiated a voluntary recall of these vehicles. Our records indicate that your vehicle is included in this group.

Setra has determined that in certain vehicles in the S417 motor coach the fuel tank can leak. On the fuel tanks affected there might (for vibrational reasons) arise cracking on the tank side panel in the area of the lower connection tube. This is caused by the missing internal support of the tank side panel.

The cracking leads to escaping of fuel. The escaping fuel drops directly downwards to the pavement and should not come into contact with vehicle components that may be hot (as for example turbocharger, exhaust).

Setra is exchanging these fuel tanks free of charge. The time required for replacement is approximately 6 hours. We are sorry to inconvenience you, BUT IT IS IMPORTANT FOR YOUR SAFETY, AND THE SAFETY OF OTHERS, TO HAVE THE WORK PERFORMED IMMEDIATELY. A Setra Technical Representative will contact you shortly to schedule an appointment for checking the fuel tank, and if necessary exchanging the fuel tank. We apologize for any inconvenience to you.

If you are no longer the vehicle owner, or have a change of address, please complete the reverse side of this letter and return the complete letter in the enclosed envelope. If this is a leased vehicle and the lessor and registered owner receive this notice, please forward this information by first class mail to the lessee. If you have paid to have this recall condition corrected prior to this notice you may be eligible to receive reimbursement. Please see the reverse side of this notice for details.

Please contact your authorized Setra dealer should you have any questions or encounter any difficulty regarding this recall. If your dealer is unable to remedy your situation please contact us at 1-(800) 882-8054.

If an authorized Setra dealer, fails or is unable to perform this service without charge within 60 days, pursuant to law 49 U.S.C. Chapter 301, you may submit a complaint to the Administrator, National Highway Traffic Safety Administration, 400 Seventh Street, S.W., Washington, D.C. 20590 or call the toll-free Auto Safety Hotline at 888-327-4236.

Again, we apologize for any inconvenience this situation may cause you.

Sincerely

Joe Davis
Assistant Vice President

IMPORTANT

IF FOR ANY REASON YOU DO NOT NOW OWN THIS VEHICLE OR HAVE A CHANGE OF ADDRESS, PLEASE COMPLETE THE SECTION BELOW, PLACE IN THE ENCLOSED ENVELOPE, AND DROP IN ANY MAIL BOX. IF POSSIBLE, PROVIDE THE NAME AND ADDRESS OF THE PRESENT OWNER SO THAT WE MAY CONTACT THEM.

- SCRAPPED**
- STOLEN**
- OTHER** _____
- SOLD** **I HAVE SOLD THE VEHICLE TO:**
- MY NEW ADDRESS IS:**

NAME _____

STREET _____ **APT.** _____

CITY _____ **STATE** _____ **ZIP** _____

PHONE _____

THANK YOU FOR YOUR COOPERATION

****** PLEASE DO NOT DETACH. RETURN COMPLETE LETTER ****
DO NOT USE THE ENCLOSED ENVELOPE FOR OTHER CORRESPONDENCE**

Reimbursement to Customers for Repairs Performed Prior to Recall

If you have already paid to have this recall condition corrected you may be eligible to receive reimbursement.

Requests for reimbursement may include parts, labor, fees and taxes. Reimbursement may be limited to the amount the repair would have cost if completed by an authorized Setra dealer. The following documentation must be presented to your dealer for reimbursement.

Original or clear copy of all receipts, invoices and/or repair orders that show:

- **The name and address of the person who paid for the repair.**
- **The Vehicle Identification Number (VIN) of the vehicle that was repaired.**
- **What problem occurred, what repair was done, when it was done and who repaired it.**
- **The total cost of the repair expense that is being claimed.**
- **Proof of payment of repair (copy of front and back of cancelled check, or copy of credit card receipt).**
- **Reimbursement will be made by check from your dealer. If your claim is denied you will receive a letter from Setra within 60 days of receipt with the reason(s) for the denial.**

Please speak with your dealer concerning this matter.