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DEPARTS INVESTIGATION

November 12, 2004

Associate Administrator for Enforcement
National Highway Traffic Safety Administration
400 Seventh Street, S. W.
Washington, D.C. 20590

Subject: NABI Safety Recall #20043 (NHTSA Campaign # 04V-474)

Dear Sir:

Attached is a revised vehicle defect information report which is submitted pursuant to Parts 573.5, 151 (1), and 153 (1-6) of the National Traffic and Motor Vehicle Safety Act.

The undersigned should be contacted for any additional information regarding this recall.

Very truly yours,

North American Bus Industries (NABI)

Dan C. Allen
Director of Product Engineering

Enclosures

NORTH AMERICAN BUS INDUSTRIES (NABI)

**REVISED VEHICLE DEFECT
INITIAL INFORMATION REPORT**

Date: ~~September 24, 2004~~
November 11, 2004

NABI Recall No. 20043
NHTSA Campaign # 04V-474

MAKE	MODEL	MODEL YEAR	NUMBER OF VEHICLES	MANUFACTURED DATES		OTHER IDENTIFICATION NECESSARY TO DESCRIBE VEHICLE
				FROM	THROUGH	
NABI	40LFW & 60LFW	2003-2004	297 590	9/01/03	6/1/04	Certain 40' and 60' Low Floor City Transit buses equipped with Eaton hydraulic system

Total Number of Vehicles: **297 590**

Percent Potentially Containing Defect: 100%

NORTH AMERICAN BUS INDUSTRIES, Inc. (NABI)

NABI RECALL NO. 20043
NHTSA Campaign # 04V-474

***REVISED VEHICLE DEFECT
INITIAL INFORMATION REPORT***

DESCRIPTION OF DEFECT: The bus hydraulic system that provides power to the radiator cooling fan and power steering system is subject to becoming unstable. The system becoming unstable is caused by severe oscillations or pulses occurring in the hydraulic system and may happen during normal operation of the vehicle. When this occurs, the priority valve that provides hydraulic fluid to the power system may be damaged and may not function properly. If the priority valve fails to function properly, the hydraulic system may not provide sufficient hydraulic fluid to the power steering gear, under certain conditions.

RISK TO MOTOR VEHICLE SAFETY: The power steering assist may not function properly in hard turns at low speed. When this occurs the driver will be subjected to hard turning of the steering wheel and loss of power assist in the steering system. An accident could occur causing property damage or injuries.

1) CHRONOLOGY OF PRINCIPAL EVENTS WHICH LED TO DETERMINATION OF DEFECT:

- On or about September 7, 2004, NABI received a letter from Eaton noting that certain components of the hydraulic system would be campaigned on the NABI buses at the Massachusetts Bay Transportation Authority (MBTA). At this time, NABI was not aware of any steering problems associated with this campaign.
- On or about September 15, 2004, NABI received a phone call from NHTSA regarding a Part 573 report that had been received by NHTSA from Eaton. NABI initiated an investigation.

- On or about September 20, 2004, NABI received a copy of the Part 573 report noted above from Cross Fluid Power, a distributor of Eaton products.
- On or about September 21, 2004, after numerous conversations with Cross Fluid Power and Eaton, NABI concluded that the reported problem involved a certain group of buses all of which were sold to Massachusetts Bay Transportation Authority (MBTA).
- On September 23, 2004 NABI decided to recall all buses that had been delivered to Massachusetts Bay Transportation Authority (MBTA).
- ***On November 11, 2004 NABI received a notice from Cross Fluid Power that Eaton had increased the number of defective manifolds that had been shipped to NABI. NABI has decided to expand the recall to include buses sold to 2 other customers.***

- 2) MEASURES TO BE TAKEN TO REPAIR VEHICLE: The owner will be officially notified of the defect and NABI will arrange to have the vehicles repaired.
- 3) REMEDY EXPENSE: Eaton and Cross Fluid Power will repair the vehicles free of charge.
- 4) EARLIEST DATE TO BE REMEDIED: ~~October 4, 2004~~ ***November 12, 2004***
- 5) PUBLIC ANNOUNCEMENT DATE: There will be no public announcement.
- 6) OWNER LETTER: ***Revised*** notification letter is enclosed for review and approval by NHTSA.

*Final version
Revised 11/11/04 (in italics)
NABI letterhead*

RECALL NOTICE

November, 2004

Dear NABI Customer:

NHTSA Campaign # 04V-474

NABI Recall # 20043

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. North American Bus Industries, Inc. (NABI) has decided that a defect which relates to motor vehicle safety exists in certain 40 LFW (40' low floor) and 60 LFW (60' low floor), buses manufactured between September 1, 2003 and June 1, 2004.

Our records identify you as the owner of the vehicles shown on the attached list that are affected by this recall.

REASON FOR THIS RECALL

NABI has determined that the hydraulic system that provides power to the radiator cooling fan and power steering system is subject to becoming unstable. The system becoming unstable is caused by severe oscillations or pulses occurring in the hydraulic system and may happen during normal operation of the vehicle. When this occurs, the priority valve that provides hydraulic fluid to the power system may be damaged and may not function properly. If the priority valve fails to function properly, the hydraulic system may not provide sufficient hydraulic fluid to the power steering gear.

The power steering assist may not function properly in hard turns at low speed. When this occurs the driver will be subjected to hard turning of the steering wheel and loss of power assist in the steering system. An accident could occur, causing property damage and/or injuries.

ACTION YOU SHOULD TAKE

Drivers should be advised of the potential problem involving the hydraulic and power steering system. Drivers should be on the alert for possible loss of power assisted turning during slow hard turns until these vehicles can be repaired.

Eaton Corporation and Cross Fluid Power will make arrangements to repair the vehicles at your location.

If NABI does not remedy this condition without charge on the mutually agreed upon service date or within 5 days of this agreed upon date, you can obtain assistance by calling NABI Customer Service at (888) 424-5844, Ext 7900. You may also wish to submit a complaint to the Administrator, National Highway Traffic Safety Administration, 400 Seventh St., S.W., Washington D.C. 20590, or call the toll-free Auto Safety Hot-line at 1-888-327-4236 if you believe that NABI has failed to remedy the vehicle without charge, within a reasonable time, which is no longer than 60 days after your first tender to obtain repair. You may be eligible to receive reimbursement for the cost of obtaining a pre-notification remedy of a problem associated with this recall. For more information, contact NABI at 1 256-831-4296.

Federal law requires that any vehicle lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days.

We apologize for any inconvenience this matter may cause you.

North American Bus Industries, Inc.