DaimlerChrysler

DaimlerChrysler Corporation Stephan J. Speth Director Vehicle Compliance & Safety Affairs

December 7, 2004

Mr. Kenneth N. Weinstein Associate Administrator, Safety Assurance National Highway Traffic Safety Administration 400 Seventh Street, S.W. Washington, D.C. 20590

04V-579 (3page)

Dear Mr. Weinstein:

Attached is DaimlerChrysler Corporation's Defect Information Report, complying with the requirements of 49 CFR Part 573, Defect and Noncompliance Reports, which contains details of a potential safety related defect in a small number of 2005 model year Chrysler Sebring and Stratus sedan and convertible vehicles. On some vehicles the right steering knuckle may have been damaged during the component manufacturing process. DaimlerChrysler Corporation will conduct a voluntary safety recall to inspect and replace the right steering knuckle if necessary on all affected vehicles.

Stephan J. Speth

Enclosures: Defect Information Report for DaimlerChrysler Corporation Recall Q55

cc: K. C. DeMeter, NHTSA

Division of Occupational Safety & Health California Department of Industrial Relations

DEFECT INFORMATION REPORT FOR DAIMLERCHRYSLER RECALL D55Page 1

Submission date: December 7, 2004

Identifying classification of vehicles potentially affected:

Make	Model	Model Year	Inclusive Dates of Manufacture	Vehicle Volume	Other
Chrysler	Sebring	2005	9/8/2004 — 11/5/2004	26,354 estimated	Sedan and convertible
Dodge	Stratus				Sedan

Estimated percentage containing defect: Unknown

Description of defect:

The right steering knuckle on some vehicles may have been damaged during the component manufacturing process. This could cause the steering knuckle to crack and separate from the upper control arm.

The name, address and telephone number of the supplier who manufactured the subject components:

Hayes Lemmerz International, Inc. 1500 Fourth Avenue Cadillac, MI 49601 (231) 779-9600

The following chronology of principal events occurred during November of 2004 and led to the determination of a defect:

- On November 4, 2004, a vehicle was identified at DaimlerChrysler Corporation's Sterling Heights Assembly Plant with a fractured right front suspension steering knuckle.
- The yard at DaimlerChrysler Corporation's Sterling Heights Assembly Plant was immediately put on hold and all vehicles contained.
- Analysis of the knuckle indicated that the material and chemical properties met all specifications. Additional analysis indicated that the fracture was due to an overload condition.
- A magnetic particle inspection of all parts in process at DaimlerChrysler Corporation's

DEFECT INFORMATION REPORT FOR DAIMLERCHRYSLER RECALL D55Page 2

Sterling Heights Assembly Plant, as well as those parts at the knuckle supplier Hayes Lemmerz, was initiated. Between November 8, 2004 and November 20, 2004 approximately 1800 steering knuckles were inspected, with 17 suspect parts identified with indication of crack initiation.

- 100% of the suspect steering knuckles, including the part from the vehicle identified on November 4, 2004 were right handed knuckles from casting cavity # 2.
- Investigation subsequently determined that a small number of cavity # 2 castings exhibited a rocking condition when machined in the cavity # 2 trim die. Depending on dimensional properties of the casting, this could result in initiation of a stress crack when the casting was loaded during the machining operation.
- Further investigation indicated that the knuckle supplier had been performing magnetic particle inspection on 100% of the steering knuckles cast and machined between April 28, 2004 and September 7, 2004.
- Subsequent component inspection on contained vehicles from mid to late November of 2004 identified additional suspect knuckles machined at Hayes Lemmerz between September 10, 2004 and November 4, 2004.
- There have been no reports from the field related to this issue.
- This data was presented on November 30, 2004 to the Vehicle Regulations Committee who decided to conduct a safety recall to inspect and repair the affected vehicles.

Statement of measures to be taken to correct defect:

DaimlerChrysler Corporation will conduct a safety recall to inspect and replace the right steering knuckle from casting cavity # 2 on all affected vehicles. DaimlerChrysler expects to initiate national notification to dealers and owners in January of 2005.

DaimlerChrysler Corporation has a longstanding policy and practice of reimbursing owners who have incurred the cost of repairing a problem that subsequently becomes the subject of a field action. To ensure consistency, DaimlerChrysler Corporation, as part of the owner letter, will request that customers send original receipt and/or other adequate proof of payment to the company for confirmation of the expense.