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December 13, 2004

04 R-588
(4 pages)

**VIA FACSIMILE AND
CERTIFIED U.S. MAIL,
RETURN RECEIPT REQUESTED**
Associate Administrator for Safety Assurance
National Highway Traffic Safety Administration
400 7th Street, S.W.
Washington, DC 20590

Re: Champion Bus, Inc. Recall Campaign
Defect and Non-Compliance Report

Gentlemen:

Our office is general counsel for Champion Bus, Inc. ("Champion Bus"), which is located in Imlay City, Michigan. On behalf of Champion Bus, we are hereby notifying the National Highway Traffic Safety Administration of a non-compliance with Federal Motor Vehicle Safety Standard No. 217 that exists in certain buses listed below. This notification is being furnished in accordance with 49 CFR Part 573 entitled Defect and Non-Compliance Reports.

1. Manufacturer's Name.
Champion Bus Inc.
331 Graham Road
P.O. Box 158
Imlay City, Michigan 48444
Contact Person: Deborah Morse
Telephone Number: (810) 724-1753, ext. 399
Fax Number: (810) 724-6478
2. Vehicle Models Subject to Recall Campaign. Champion Bus has determined that the non-compliance referred to below may be present on certain 2004 CTS Rear Engine buses. The total number of buses subject to this recall campaign is 6. All of these buses were sold to Yellow Transportation, which is located in Pennsylvania. These buses were manufactured during the period from June, 2004 through October, 2004. The

information available to Champion Bus indicates that all 6 of the buses subject to the recall campaign contain the non-compliance.

3. Description of Non-Compliance. Champion Bus has determined that the buses subject to this recall campaign fail to conform to the requirements of Federal Motor Vehicle Safety Standard No. 217 entitled "Bus Emergency Exits and Window Retention and Release." Specifically, the buses fail to satisfy part S5.2.2.1 which defines the number and size of emergency exits that should be installed on buses, as determined by the number of designated seating positions on the buses.

In the instant case, the CTS Rear Engine bus has 48 designated seating positions. Based upon the egress window calculations provided by S5.2.2.1, the CTS Rear Engine bus should have been built with five emergency exit windows. However, despite the fact that the bill of materials for the CTS Rear Engine bus specified that five emergency exit windows were to be installed, Champion Bus only installed four emergency exit windows on the six buses subject to this recall campaign.

4. Chronology of Events.

- a. On September 29, 2004, the NHTSA Office of Vehicle Compliance inspected a CTS Rear Engine bus at the BusCon Trade Show and determined that the bus may not have included a sufficient number of emergency exit windows.
- b. On October 7, 2004, Champion Bus received a request for information from NHTSA with respect to Champion Bus's compliance with FMVSS No. 217. On November 16, 2004, Champion Bus responded to the information request made by NHTSA.
- c. In connection with its investigation of the emergency exit requirements, Champion Bus determined that the buses subject to this recall campaign do not contain a sufficient number of emergency exit windows required by FMVSS No. 217.
- d. On December 3, 2004, Champion Bus was advised by Amanda Prescott that a safety recall campaign would need to be initiated with respect to the CTS Rear Engine buses that do not contain a sufficient number of emergency exits.

5. Remedying of Non-Compliance. The program to be implemented by Champion Bus to remedy the non-compliance will include notification to Yellow Transportation, which is the sole registered owner of the six buses subject to this recall campaign. The owner notification letter is enclosed as Attachment 1. The notification will advise Yellow Transportation to bring the buses to its local Champion Bus dealer, which is Rohrer Bus Sales located in Duncannon, Pennsylvania. Rohrer Bus Sales will then replace one of the regular windows on the buses subject to this recall campaign with an emergency exit window supplied by Champion Bus.

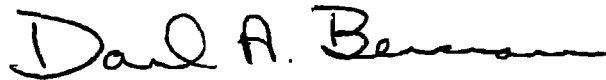
The enclosed owner notification letter is being submitted for your pre-review. Champion Bus intends to mail the owner notification letters within 7 days after receipt of approval from your office.

6. Campaign Number. Champion Bus does not have an internal campaign number for this recall. Champion Bus will use the recall campaign number assigned by NHTSA.

I would appreciate your providing me with a pre-review determination of the enclosed document at your earliest convenience. I trust that you will find the enclosed document complies with the NHTSA regulations and will approve the document for form and content. If you need any additional information regarding this recall campaign, please feel free to contact me.

Thank you for your prompt attention to this matter.

Very truly yours,



Daniel A. Bensman

dja

Enclosure

cc: Champion Bus America, Inc. (via fax)
Mr. John M. Garmhausen

SAFETY CAMPAIGN NOTICE

NHTSA Reference Number 04V-___

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

Champion Bus, Inc. ("Champion Bus") has decided that a noncompliance that relates to motor vehicle safety exists in certain 2004 CTS Rear Engine buses which fail to conform to the requirements of part S5.2.2.1 of Federal Motor Vehicle Safety Standard No. 217, "Bus emergency exits and window retention and release." FMVSS S5.2.2.1 defines the number and size of emergency exits that should be installed on a bus, as determined by the number of designated seating positions on such bus. Your CTS Rear Engine bus has 48 designated sitting positions. Based upon the egress window calculations provided by S5.2.2.1, your CTS Rear Engine buses should have been built with five emergency exit windows. However, Champion Bus only installed four emergency exit windows on your buses.

The program to be implemented by Champion Bus to remedy the noncompliance involves the replacement of one of the regular windows on the buses subject to this recall campaign with an emergency exit window supplied by Champion Bus. Champion Bus has already supplied these replacement emergency exit windows to Rohrer Bus Sales, which is your authorized Champion Bus dealer. Rohrer Bus Sales will replace an existing regular window on your CTS Rear Engine buses with an emergency exit window free of charge. This replacement will take approximately 1.25 hours to perform for each bus.

If you experience difficulties with this procedure or are otherwise unable to comply with this notice, you may contact the Service Department at Champion Bus at (800) 331-5761. If Champion Bus is unable to provide the above-referenced assistance, you may contact the Administrator of N.H.T.S.A., 400 Seventh Street, SW, Washington, D.C. 20590 or toll free through the Auto Safety Hotline at 1-888-327-4236.

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 Champion Bus at (800) 331-5761.

Federal Regulations require any lessor receiving this letter to forward it to the lessee within 10 days.

We apologize for any inconvenience this campaign may cause you. As always our first priority is the safety of the people using our products.

Sincerely,

Deborah Morse
Warranty Administrative Assistant
Champion Bus, Inc.