Group Lotus Plc
Hethel, Norwich, Norfolk, NR14 8EZ, England
Tel: (01953) 608000 Fax: (01953) 608104 www.lotuscars.co.uk

Our Ref: TA/USREP/573

Date: 21st December 2005

Chief
Associate Administrator for Safety Assurance (NSA-01)
National Highway Traffic Safety Administration
Washington, DC

Dear Sir or Madam

05V-571
(11 pages)

PART 573 DEFECT AND NON-COMPLIANCE REPORT

Please find enclosed a submission issued pursuant to 49 CFR Part 573 that relates to a safety related defect that has been determined to exist in our 2005 model year Lotus Elise.

It is currently envisaged that the recall schedule and customer notification letter will be complete by 6th January 2006, which will then be submitted to NHTSA for approval. A list of affected vehicle owners will be obtained from our import agent, Lotus Cars USA Inc., which is a wholly owned subsidiary of Group Lotus Plc.

There are relatively few vehicles affected by this issue and all are currently covered by a 3-year manufacturers warranty. Consequently, it is requested that NHTSA confirms that a plan for pre-notification reimbursement, pursuant to 49 CFR 577.11, is not required in this instance.

It should also be noted that there are no known incidents involving an accident, injury or death that relate to this issue.

If you have any questions relating to this submission, please contact Mr Neil Lovelock as detailed in the enclosed or the undersigned.

Yours faithfully

Ian Cawdron
US Reporting Engineer
Type Approval Department
Lotus Engineering
Tel: +44 (0)1953 608334
EMail: icawdron@lotuscars.co.uk

Enc:

Part 573 Defect and Non-compliance Report

PART 573 Defect and Noncompliance Report*

On December 20, 2005, Group Lotus Plc decided that a defect, which relates to motor vehicle safety exists in the motor vehicles listed below, and is furnishing notification to the National Highway Traffic Safety Administration in accordance with 49 CFR Part 573 Defect and Noncompliance Reports.

Date this report was prepared: December 20, 2005

Furnish the manufacturer's identification code for this recall (if applicable): 2006 / 1R

1. Identify the full corporate name of the fabricating manufacturer of the vehicle being recalled. If the recalled vehicle is imported, provide the name and mailing address of the designated agent as prescribed by 49 U.S.C. §30164.

MANUFACTURER:
GROUP LOTUS PLC
POTASH LANE
HETHEL
NORWICH, NR14 8EZ
UK

US AGENT (WHOLLY OWNED SUBSIDIARY OF MANUAFACTURER):
LOTUS CARS USA INC.
2236 NORTHMONT PARKWAY
DULUTH, GA 30096
U.S.A

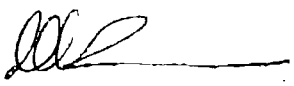
Identify the corporate official, by name and title, whom the agency should contact with respect to this recall.

MR. NEIL LOVELOCK
GENERAL MANAGER, AFTER SALES

Telephone Number: ++44 (0) 1953 608449 Fax No.: ++44 (0) 1953 608253

Name and Title of Person who prepared this report:

MR. IAN CAWDRON
US REPORTING ENGINEER

Signed: 

*Each manufacturer must furnish a report, to the Associate Administrator for Safety Assurance, for each defect or noncompliance condition, which relates to motor vehicle safety. This guide was developed from 49 CFR Part 573, "Defect and Noncompliance Reports" and also outlines information currently requested. Any questions please consult the complete Part 573 or contact Mr. Jon White at (202) 366-5227 or by FAX at (202) 366-7882. Form Approved: O.M.B. No. 2127-0004

I. Identify the Vehicle Models Involved in the Recall

2. Identify the Vehicles Involved in the Recall, *for each make and model or applicable vehicle line (provide illustrations or photographs as necessary to describe the vehicle), provide*:

Make(s): LOTUS Model Year Involved: 2005 Model(s): ELISE (6 SPEED MANUAL)

Production Dates: Beginning: 8 APR 2004 Ending: 3 FEB 2005

VIN Range: Beginning: SCCPC11155HL30002 Ending: SCCPC11105HL32482

Vehicle Type: PC Bodystyle: NOT APPLICABLE

Descriptive information which characterizes/distinguishes the recalled vehicles from those model vehicles not included in the recall:

VEHICLES FITTED WITH GEAR LEVERS MANUFACTURED FROM HEXAGONAL SECTION STEEL BAR.

Identify the approximate percentage of the production of all the recalled models manufactured by your company between the inclusive dates of manufacture provided above, that the recalled model population represents. For example, if the recall involved Widgets equipped with certain items of equipment from January 1, 1996 through April 1, 1997, then what was the percentage of the recalled Widgets of all Widgets manufactured during that time period.

100%

II. Identify the Recall Population

3. Furnish the total number of vehicles recalled potentially containing the defect or noncompliance.

Model	Year	Number of Vehicles Potentially Involved
LOTUS ELISE	2005	1740

Total Number Potentially Affected by the Recall: 1740

4. Furnish the approximate percentage of the total number of vehicles estimated to actually contain the defect or noncompliance: 100%

Identify and describe how the recall population was determined--in particular how the recalled models were selected and the basis for the beginning and final dates of manufacture of the recalled vehicles:

THE RECALL POPULATION IS BASED ON THE TOTAL NUMBER OF US VEHICLES BUILT USING A GEAR LEVER MANUFACTURED FROM HEXAGONAL SECTION STEEL BAR. THE PART IN QUESTION IS USED ON US LOTUS ELISE VEHICLES AND THE RECALL FIGURE REPRESENTS 100% OF VEHICLES MANUFACTURED FOR THE USA MARKET BETWEEN THE PRODUCTION DATES QUOTED IN PARA 2.

III. Describe the Defect or Noncompliance

5. Describe the defect or noncompliance. The description should address the nature and physical location of the defect or noncompliance. Illustrations should be provided as appropriate:

THE ORIGINAL GEAR LEVER ON US LOTUS ELISE MODELS WAS FABRICATED FROM HEXAGONAL SECTION STEEL BAR WITH WELDED STEEL PLATE REINFORCEMENT. IT HAS BEEN FOUND THAT THERE IS A SMALL RISK THAT THIS GEAR LEVER MAY BREAK IF SUBJECTED TO HIGH HANDLING FORCE (SEE ATTACHED PHOTOS).

Describe the cause(s) of the defect or noncompliance condition:

THE MATERIAL USED TO MANUFACTURE THE BAR MAY NOT WITHSTAND HIGH HANDLING FORCES.

Describe the consequence(s) of the defect or noncompliance condition:

THE GEAR LEVER MAY BREAK, RESULTING IN AN INABILITY TO CHANGE GEAR.

Identify any warning, which can (a) precede or (b) occur:

NONE.

If the defect or noncompliance is in a component or assembly purchased from a supplier, identify the supplier by corporate name and address:

THE GEAR LEVER ASSEMBLY IS A BESPOKE PART, DESIGNED AND BUILT TO LOTUS SPECIFICATION BY AN EXTERNAL SUPPLIER:

TELEFLEX MORSE
CHRISTOPHER MARTIN ROAD
BASILDON
ESSEX
SS14 3ES
UK

Identify the name and title of the chief executive officer or knowledgeable representative of the supplier:

MR. JEFF LATHAM
OPERATIONS MANAGER
TEL: ++44 (0)7968 212949

IV. Provide the Chronology In Determining the Defect/Noncompliance

If the recall is for a defect, complete item 6, otherwise item 7.

6. With respect to a defect, furnish a chronological summary (including dates) of all the principle events that were the basis for the determination of the defect. The summary should include, but not be limited to, the number of reports, accidents, injuries, fatalities, and warranty claims:

THE CHRONOLOGICAL SUMMARY IS CURRENTLY BEING COMPILED AND WILL BE SUBMITTED TO NHTSA BY JANUARY 6, 2006.

7. With respect to a noncompliance identify and provide the test results or other data (in chronological order and including dates) on which the noncompliance was determined.

NOT APPLICABLE.

V. Identify the Remedy

8. Furnish a description of the manufacturer's remedy for the defect or noncompliance. Clearly describe the differences between the recall condition and the remedy:

THE GEAR LEVER ASSEMBLY IS TO BE UPDATED TO A REVISED DESIGN USING A LARGER DIAMETER ROUND SECTION BAR OF HIGHER MATERIAL SPECIFICATION.

Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly:

THE DEFECTIVE GEAR LEVER HAS A HEXAGONAL CROSS SECTION. THE UPDATED DESIGN UTILISES MATERIAL WITH A ROUND CROSS SECTION.

Identify and describe how and when the recall condition was corrected in production. If the production remedy was identical to the recall remedy in the field, so state. If the product was discontinued, so state:

THE RECALL CONDITION WAS CORRECTED IN PRODUCTION IN FEBRUARY 2005. THE PRODUCTION REMEDY IS IDENTICAL TO THE RECALL REMEDY AND THE DEFECTIVE PRODUCT HAS BEEN DISCONTINUED.

VI. Identify the Recall Schedule

Furnish a schedule or agenda (with specific dates) for notification to other manufacturers, dealers/retailers and purchasers. Please, identify any foreseeable problems with implementing the recall.

THE RECALL SCHEDULE IS CURRENTLY BEING COMPILED AND WILL BE SUBMITTED TO NHTSA BY JANUARY 6, 2006.

VII. Furnish Recall Communications

9. Furnish a final copy of all notices, bulletins, and other communications that relate directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, or purchaser. This includes all communications (including both original and follow-up) concerning this recall from the time your company determines the defect or noncompliance condition on, not just the initial notification. *A DRAFT copy of the notification documents should be submitted to this office by Fax (202-366-7882) for review prior to mailing.*

DRAFT COPY OF TECHNICAL SERVICE BULLETIN # 2006 / 1R ATTACHED. A DRAFT COPY OF THE OWNERS NOTIFICATION LETTER WILL BE SUBMITTED BY JANUARY 6, 2006.

Note that these documents are to be submitted separately from those provided in accordance with Part 573.8 requirements.

The Privacy Act of 1974 - Public Law 93-579, As Amended: This information is requested pursuant to the authority vested in the National Highway Traffic Safety Act and subsequent amendments. You are under no obligation to respond to this questionnaire. Your response maybe used to assist the NHTSA in determining whether a manufacturer should take appropriate action to correct a safety defect. If the NHTSA proceeds with administration enforcement or litigation against a manufacturer, your response, or statistical summary thereof, may be used in support of the agency's action.

ANNEXE:

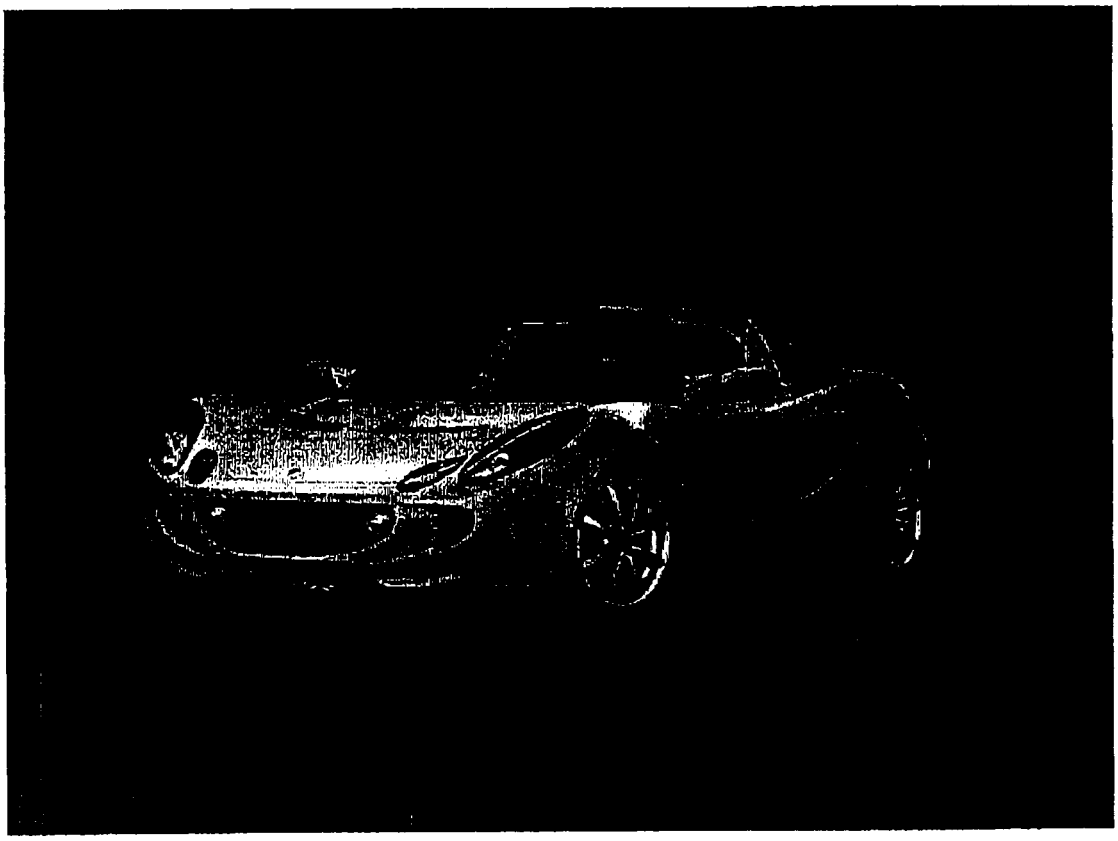
A. LOTUS ELISE

ENCLOSURE:

1. DRAFT TECHNICAL SERVICE BULLETIN # 2006 / 1R

ANNEXE A TO
TA/USREP/573
DATED 20 DEC 05

LOTUS ELISE



SERVICE BULLETIN

Date: ??.??.06

Number: 2006/1R

Model: 6-speed Elise/Exige

Service Manager	Service Reception	Supervisor	Parts Manager

TITLE: Fitment of modified gear lever

REASON: The original gear lever on 6-speed Elise/Exige models (introduced in January 2004) was fabricated from hexagonal section steel bar with welded steel plate reinforcement. It has been found that there is a small risk that this gear lever may break if subjected to high handling force. Lotus is undertaking to replace all early type gear levers with a modified design to assure the highest level of safety.

ACTION: All Elise/Exige models in the VIN ranges detailed below are being recalled in order for the gear lever assembly to be updated to an revised design using a larger diameter round section bar of higher material specification.

- Lotus is using its own and dealer sales records, in conjunction with data from vehicle registration authorities, to inform the owners of all affected vehicles, that the vehicle is subject to a precautionary safety recall, and advising them to contact their dealer to have the necessary modification carried out. A specimen letter is attached for information.
- Notwithstanding the above, dealers should immediately contact their own customers wherever possible.
- Dealers should immediately order sufficient parts (see below) to meet their anticipated requirement, and arrange rework appointments as soon as parts are received.
- Dealers should ensure immediate rectification of any cars in their sales stock or demonstrator fleet.

Affected Cars

All 2004 and 2005 Elise/Exige 6-speed Toyota powertrain models prior to the following '05 VIN (character 10 = 5) serial numbers:

LHD:	Elise;	2432.
	Exige;	2394.
	USA Elise;	2415. (February '05)
RHD:	All;	2510. (February '05)

Parts Required	**Part Number**	**Qty**
Gear Lever - RHD	A120F0008S	1
Gear Lever - LHD	A120F0009S	1
Lift Tube, reverse select	B120U0017F	1
Lift Tube Adaptor	A120F6259S	1
Spring Clip, lift tube to adaptor	B120W6770F	1
Knob, gear lever, M10	C120U0012F	1
Grub Screw, M5 x 16, knob retention	A120W5292F	1

Tools Required	**Part Number**	**Qty**
Tool, gear lever bush guide	A120U0054S	1

Continued .....

Lotus Cars Limited, Norwich, Norfolk, NR14 8EZ. England. Telephone 01953 608000. Telefax 01953 608514

Procedure
Replace the gear lever and associated components as follows:

1. Inspect the grub screw drilling in the front of the gear lever knob. ***If this is marked with red paint, the modification has already been carried out - take no further action.***
   Release the grub screw (if applicable) in the front face of the gear lever knob, and unscrew the knob.
   If the knob thread on the lever is M10, the car has the modified lever already - take no further action. (Earlier versions have M7 or M8)
   For knobs without grub screws, gentle heat may help to soften the thread adhesive.
   Prise off the spring clip from the top of the lift tube adaptor.

2. Release the two grub screws in the underside of the parking brake lever sleeve and withdraw the sleeve.

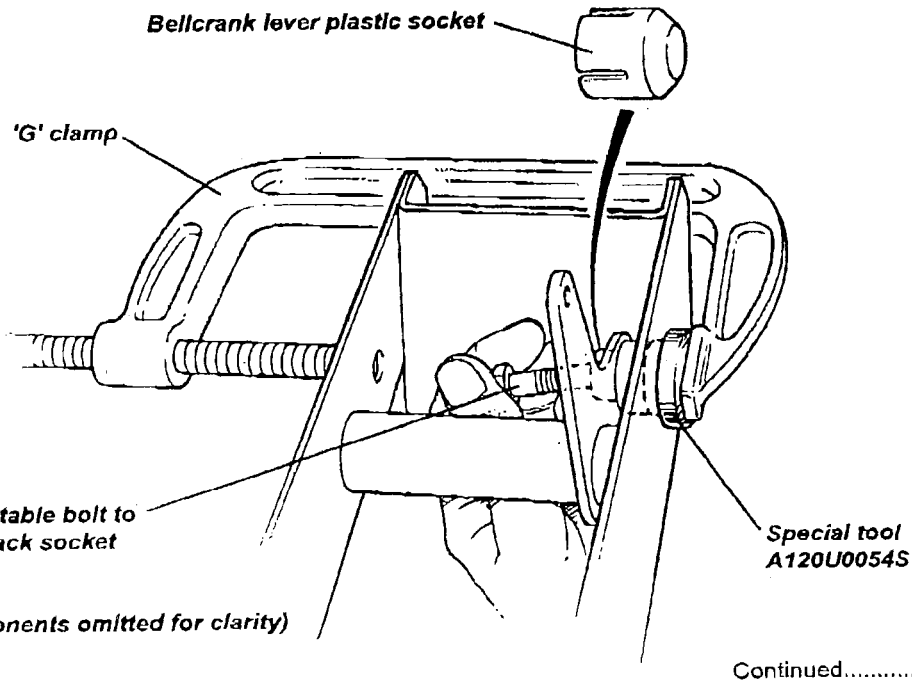
3. Remove the two screws securing the front of the gear lever shroud and carefully withdraw the gear/park brake shroud, disconnecting the window switch and hazard lamps switch (if applicable). Take care to prevent scratching the shroud on seat belt fixings or seat runners.

4. Release the reverse selector cable from the gear lever and unhook from the lift tube adaptor. Discard the adaptor.

5. Prise off the gear selector cable socket from the gear lever (use a 10mm spanner).

6. From the LH side of the unit, remove the screw securing the gear lever pivot to the mounting frame. Push the top of the gear lever to the right to help disengage the crossgate selector ball at the bottom of the lever from the bellcrank lever socket. Take care not to damage the socket plastic bush which should remain in the bellcrank lever. Discard the gear lever.

7. To allow fitment of the bush guide tool, unhook the main harness from the 'P' clip at the front of the frame, temporarily hook over the outside of the shroud fixing leg and rotate the 'P' clip 90°. Locate the guide tool in the hole at the RH side of the mounting frame and secure in position using a 'G' clamp as shown, but do not crush or distort the frame.

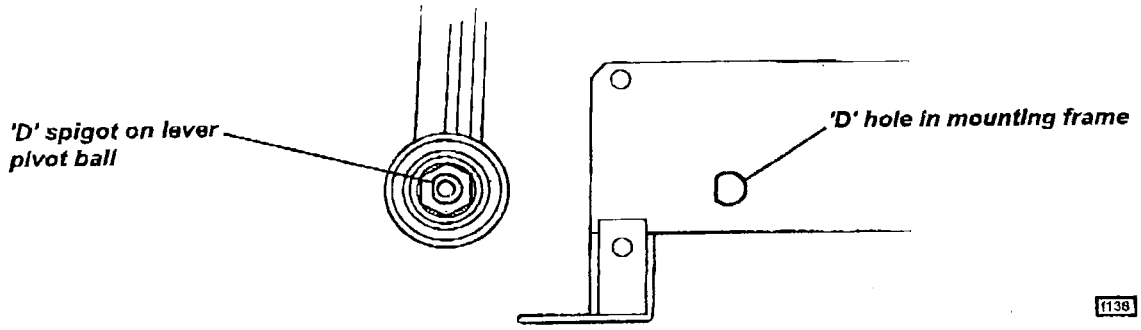


Continued.....

8. Push the plastic socket in the bellcrank lever fully into the guide tool to facilitate installation of the gear lever. Apply a dab of mineral oil based lithium grease (e.g. Molykote Longterm W2) to the socket.

9. Fit the gear lever, feeding the crossgate ball into the bellcrank lever and position the lever upright. Using a suitable screwdriver or pry bar, push the base of the lever over to the right to engage the crossgate ball into the plastic socket (should click home).

10. Remove the 'G' clamp and guide tool, and push the crossgate socket to the left to engage the 'D' feature on the gearlever pivot ball with the matching hole in the LH side of the frame. Apply Permabond A130 (A912E6033V) to the fixing screw and torque tighten to 10 Nm. Restore harness position.



11. Fit the new lift tube adaptor onto the gear lever and ensure it is free to slide up and down. Hook in the reverse selector cable and secure to the gear lever abutment. Temporarily fit the new lift tube onto the adaptor and screw on the new gear knob. Adjust the cable to allow correct reverse gear selection and tighten adjuster nuts. Remove gear knob and lift tube. Clip the selector cable onto the gear lever ball.

12. Cut the tie strap securing the old lift tube in the gear lever gaiter and fit the new lift tube using a suitable tie strap. Fit the shroud over the parking brake and gear lever, taking care not to scratch the surface finish, and aligning the flats on the lift tube with those on the lift tube adaptor. Connect the electrical switches as necessary, and retain the shroud with the two screws.

13. Use the new spring clip to secure the lift tube to the adaptor, and fit the new gear knob, tightening the grub screw to orientate the graphic correctly. Apply red paint to the grub screw drilling in the knob for identification. Fit and secure the parking brake lever sleeve.

14. Check gear selection and reverse inhibit function. Ensure the lift tube returns freely under spring action.

CHARGES: Warranty claims for 1.2 hr/car may be submitted quoting Operation Code 47.05.01 - 07, 'A' code 50, 'B' code 40. Please quote bulletin number in the text remarks section.