

SETRA

LUXURY COACHES

SETRA of North America, Inc.
6012B High Point Road
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December 13, 2006

Daniel Smith
Associate Administrator for Enforcement
Recall Management Division,
National Highway Traffic Safety Administration
Fax: (202) 366-7882
Pages: 4 (Including this one)

Dear Daniel Smith,

This updates a previous defect report submitted **June 7, 2006**. Original recall reference NHTSA # 06V207000. The defect relates to specific transverse control arms at the front axle of the Setra North America, S 417 Motor coach buses. We are expanding the number of vehicles potentially affected by this recall. Please see the updates within the attached report.

Attached:

1. Setra's Part 573 report, NHTSA # 06V207000, Revised December 13, 2006.



Setra 573
transverse Control A.

If you have any questions or concerns, please contact me.

Sincerely,

Joe Labonte
Compliance and Safety Officer
350 Hazelhurst Road
Mississauga, Ontario, Canada,
L5J 4T8
Work: (905) 403-7807
Cell: (519) 831-5407
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December 13, 2006

Mr. Daniel Smith, Associate Administrator for Enforcement
National Highway Traffic Safety Administration
400 Seventh Street S.W. (NSA-01)
Washington, DC 20590
Fax: (202) 366-7882

Re: **Part 573 – Defect Report**

Dear Mr. Smith,

This updates a previous defect report submitted **June 7, 2006**. Original recall reference NHTSA # 06V207000. We are expanding the number of vehicles potentially affected by this recall. Please see the updates within the following report.

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 present in certain Setra S417 motor coaches.

Part 573.6(c)(1) – Manufacturer Name

EvoBus GmbH, Ulm, Germany

Designated Agent:
Setra of North America, Inc.,
6012-B High Point Road
Greensboro, NC 27407

Part 573.6(c)(2) – Vehicles Potentially Containing the Defect

The affected vehicles are revised to Model Year 2004 and 2006 Setra Model S417 motor coaches (36-58 passengers). These "affected vehicles" include those buses bearing the Manufacturer's Serial #'s:

Original affected list as reported June 7, 2006:

WKKA34CD353000297-WKKA34CDX53000300; WKKA34CD553000303-WKKA34CD653000312;
WKKA34CD863000314-WKKA34CD863000331; WKKA34CD063000338-WKKA34CD863000359;
WKKA34CD863000376-WKKA34CD363000382; WKKA34CD763000384-WKKA34CD963000404;
WKKA34CD463000410-WKKA34CD863000412, WKKA34CD163000414
and specifically include all model S417 coaches produced from April 2005 to May 2006.

Additional affected:

WKKA34CD843000116; WKKA34CD553000186; WKKA34CD753000187; WKKA34CD753000190;
WKKA34CD453000194-WKKA34CD853000196; WKKA34CD653000200; WKKA34CD853000201;
WKKA34CD553000205; WKKA34CD753000206; WKKA34CD453000213-WKKA34CD853000215;
WKKA34CD553000219; WKKA34CD553000222; WKKA34CD753000223;

Additional affected continued:

WKKA34CD453000227-WKKA34CD653000231; WKKA34CD553000236; WKKA34CD753000237;
WKKA34CD753000240; WKKA34CD453000244-WKKA34CD853000246; WKKA34CD653000259;
WKKA34CD453000261-WKKA34CD853000263; WKKA34CD553000267; WKKA34CD753000268;
WKKA34CD553000270, WKKA34CD753000271, WKKA34CD663000280, WKKA34CD753000285,
WKKA34CD453000289; WKKA34CD453000292-WKKA34CD853000294; WKKA34CD753000304;
WKKA34CDX63000413; WKKA34CD363000415; WKKA34CD763000417- WKKA34CD063000422

These additional 51 coaches are defined by the axle supplier.

The basis for determination of the affected vehicle population is an analysis of the revised production records identifying all S417 models with specific transverse control arms at the front axle described below.

Part 573.6(c)(3) – Total Number of Vehicles Potentially Affected

A total of up to 135 (Original 85 plus 51 additional) motor coaches are potentially affected.

Part 573.6(c)(4) - Percentage of Affected Vehicles Estimated to Contain the Problem

3% of the subject vehicles may contain the problem described below.

Part 573.6(c)(5) – Chronology of Events Leading to Discovery of the Issue

EvoBus has determined that in the vehicles described above the transverse control arm at the front axle could be damaged.

This Problem was originally brought to EvoBus GmbH's attention by the Italian subsidiary of EvoBus Germany, who reports on a transverse control arm break at the front axle of a European vehicle, Model TC 400 series, (a substantial similar vehicle to the USA Model S 417). Another breakage occurred at on a German vehicle. During the following investigation 5 further incidents occurred (none in the North America).

EvoBus and the supplier of the transverse control arm, ZF Passau, conducted extensive testing and inspections. The investigation showed irregularities in the manufacturing of the transverse control arm.

In certain circumstances a break of the transverse control arm at the front axle might occur during extreme pressures to the transverse control arm (e.g. by a sudden application of the brake while backing into a parking space). The highest load on the transverse control arm occurs during a full application of the brake, briefly before the vehicle comes to a full stop. In other words, while driving at a very low forward speed. Extremely high loading of the transverse control arm, can in a very few cases lead to fracture of the front axle transverse control arm. As a result no longitudinal or transverse forces can be transmitted via the wheel on the affected side of the vehicle. Fracture of the transverse control arm leads unavoidably to a safety-critical driving condition because the steering of the affected front wheel is no longer taking place.

Although the circumstances in which the foregoing scenario might happen are highly unlikely to occur, Setra has decided to conduct a recall campaign by notifying affected customers of this issue and offering to remedy the situation by testing the transverse control arm and changing it if necessary.

EvoBus delivered approximately 4000 Vehicles world wide (135 for the US Market,) with the same part and received 7 incidents with a broken transverse control arm none within the USA.

Neither EvoBus nor Setra have received reports of accidents, injuries or deaths caused by the alleged defect.

Component Supplier Contact:

Mr. Petro Dellai
ZF Passau GmbH
Donaustraße 25-71
D-94034 Passau
Germany
Phone number:0049 851 494 2157

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 out a customer notification asking the customer to test the transverse control arm of vehicles according to an instruction sheet provided by Setra. In addition Setra will send technicians to test the transverse control arm a second time on all affected vehicles.

In order to correct this issue, ZF changed the production process of the transverse control arm. In order to ensure that this type of problem does not arise in the future, ZF has amended its quality assurance and quality control program to include an additional check of the transverse control arm as part of the final inspection prior to release.

The remedy described above will be also introduced into series production.

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 the tests for the coaches. Setra expects that the remedy program will be complete for the additional 51 buses by February, 2007.

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


A copy of the customer letter is as originally enclosed.

Setra North America Contact:

Mr. Joe Labonte
Compliance and Safety Officer
350 Hazelhurst Road,
Mississauga, Ontario,
L5J 4T8
905-403-7807
Joe.Labonte@DCBUSNA.com

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

Best regards,



Joe Labonte
Compliance and Safety Officer

cc Patricia Wallace, Safety Defects Analyst, NHTSA