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Environmental & Safety Engineering

September 11, 2006

Mr. Daniel C. Smith Associate Administrator for Safety Assurance National Highway Traffic Safety Administration 400 Seventh Street, S.W. Washington, DC 20590

06V-358 (3 pages)

Dear Mr. Smith:

Subject: Jaguar Recall No. R726 - Jaguar XJ (X350) Low Emission Vehicle (LEV) II

Fuel Tank Seals

Summary

Action - Jaguar Cars (Jaguar), which is a wholly owned subsidiary of Ford Motor Company (Ford), is conducting a voluntary safety recall involving certain 2006 and 2007 model year Jaguar XJ (X350) vehicles built at the Browns Lane (UK) and Castle Bromwich (UK) Assembly Plants from July 9, 2005, through August 31, 2006, to replace fuel tanks.

Number of Vehicles Involved – 6,199 vehicles in the United States and Federalized Territories.

Affect on Vehicle Operation - Some of the affected vehicles may contain a fuel tank that was not made to specification. This may result in illumination of the malfunction indicator lamp (MIL), a fuel odor, or fuel leaking from fuel delivery module (FDM), jet pump module (JPM) and/or cluster valve (CV) seals. Fuel leakage is most likely to occur only after a fuel tank has been fully filled with fuel.

Service Program - Dealers will be instructed to replace the fuel tanks on the affected vehicles.

Attached is the detailed information required by the applicable portions of 49 CFR Part 573 - Defect and Non-Compliance Information Report.

Sincerely,

J. P. Vondale

T.A. Vlevi

Attachment

49 CFR Part 573 - DEFECT INFORMATION REPORT R726 - CERTAIN 2006 AND 2007 MODEL YEAR JAGUAR XJ (X350) - PETROL FUEL TANKS

Pursuant to Part 573 of Title 49 of the Code of Federal Regulations, Defect and Noncompliance Reports, on behalf of Jaguar, Ford submits the following information concerning a safety recall action that is being initiated voluntarily by Jaguar.

573.6 (c) (2) -- Potentially Affected Vehicles

Certain 2006 and 2007 Model Year Jaguar XJ (X350) vehicles built at the Browns Lane and Castle Bromwich (UK) Assembly Plants from July 9, 2005, through August 31, 2006, VIN range SAJWA82BX6SG49701 to SAJWA82B97SH13485, are potentially affected.

573.6 (c) (3) -- Estimated Population of Vehicles Potentially Affected

6.199 vehicles in the United States and Federalized Territories.

573.6 (c) (4) -- Estimated Percentage of Affected Vehicles with the Condition

Unknown.

573.6 (c) (5) -- Description of the Defect

Some of the affected vehicles may have fuel tanks in which the fuel delivery module (FDM), jet pump module (JPM) and/or cluster valve (CV) seals are not properly retained in the fuel tank. This may result in illumination of the malfunction indicator lamp (MIL) or a fuel odor. If the amount of fuel is above the FDM, JPM or CV apertures, fuel may be discharged onto the ground. Fuel leaks are most likely to occur only after a fuel tank has been fully filled with fuel.

The component is manufactured by TI Group Automotive Systems Tenth Avenue, Deeside, CH5 2UA, UK.

573.6 (c) (6) -- Chronology of Events

On June 28, 2006, the concern was brought to the attention of Jaguar Critical Concerns Review Group (CCRG) as a result of routine warranty data analysis by Jaguar engineers. The analysis indicated a trend of reports of fuel leaks from the fuel delivery module (FDM), jet pump module (JPM) and/or cluster valve (CV) seals.

Through July and August 2006, with the assistance of the U.S. based offices of the UK supplier, fuel tanks were provided for inspection to provide a better understanding of the potential failure mechanisms. Associated supplier change points and production process controls were investigated to determine if and when changes were made to the manufacturing process of the fuel tank and its subcomponents. The CCRG continued to monitor field reports, including customer complaints posted on the internet by NHTSA's Office of Defect Investigation, to identify potential trends. Tests were developed by Jaguar and the supplier engineers to test representative fuel tanks at the supplier to better understand the causes of the odors and leaks and what, if any, other factors contributed to the reported concern.

Regular engineering reviews between the supplier and Jaguar engineers continued through July and August 2006. The matter was regularly reviewed by the Jaguar CCRG throughout July and early August. As the investigation continued, a better understanding of the potential failure mechanism was gained with Jaguar and the suppliers engineers. A Stop Ship/Gate Hold was implemented at Castle Bromwich on August 24, 2006, for all affected XJ vehicles within the plant.

The investigation was reviewed at Jaguar's Technical Review Group on the August 29, 2006, where failure modes and the scope of the affected vehicle population were reviewed. As a result of the Technical Review Group meeting, a Stop Build/Quarantine was implemented for all affected vehicles on August 30, 2006, for vehicles outside of the control of the plant, and retailers were instructed to cease the sale of affected vehicles. A Freeze Shipment was implemented for all affected vehicles on August 31, 2006, which suspended the onward distribution of vehicles in the supply chain.

At the Jaguar Field Review Committee meeting on September 1, 2006, Jaguar management decided to voluntarily recall these vehicles to replace the fuel tanks.

There have been no reports of any accidents, fires, or injuries as a result of this concern.

573.6 (c) (8) -- Service Program

Dealers will be instructed to replace the fuel tanks on the affected vehicles. There will be no charge to owners for this service.

Because of the time required to produce the large number of fuel tanks required for this recall, Jaguar plans a phased notification to owners beginning the week of October 23, 2006.

In accordance with Part 573.13 (d)(1), Jaguar is excluding reimbursement for costs incurred by owners for repair of this problem because Jaguar's original warranty program would provide for a free repair for this concern for customers.

573.6 (c) (9) -- Press statement and Dealer/Owner Letters

Jaguar does not plan to make a public statement concerning the subject matter of this action. A copy of the notification letters to dealers and owners from Jaguar will be forwarded when available.

573.6 (c) (11) -- Recall Number

Jaguar has assigned recall number R726 to this action.