

NORTH AMERICAN BUS INDUSTRIES (NABI)

VEHICLE DEFECT
INITIAL INFORMATION REPORT

Date: September 14, 2006

NABI Recall No. 20062

MAKE	MODEL	MODEL YEAR	NUMBER OF VEHICLES	MANUFACTURED DATES		OTHER IDENTIFICATION NECESSARY TO DESCRIBE VEHICLE
				FROM	THROUGH	
NABI	40LFW	2000-2001	404	7/22/00	7/14/01	Certain City Transit buses equipped with Sure Power model Series 1 battery equalizer

Total Number of Vehicles: 404

Percent Potentially Containing Defect: 97%

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DESCRIPTION OF DEFECT: Certain 40LFW NABI buses were equipped with Sure Power Series 1 Battery Equalizers. These battery equalizers were manufactured from October 24, 2000 through April 30, 2001 used an inductor with the coils protected by insulation. Over time, this inductor insulation may degrade creating a short within the equalizer.

RISK TO MOTOR VEHICLE SAFETY: The shorted inductor may cause the Battery Equalizer to smoke or burn. This could possibly lead to vehicle damage and potential for a vehicle fire.

1) **CHRONOLOGY OF PRINCIPAL EVENTS WHICH LED TO DETERMINATION OF DEFECT:**

- An investigation has been underway for several months by Sure Power Industries, the manufacturer of the Series 1 battery equalizer. This investigation was prompted by field failures of the Series 1 equalizers. These previous failures were limited to equalizer component failure and replacement.
- In June 2006 a fire occurred on a NABI 40LFW bus, which damaged a portion of the bus including the area in and around the battery equalizer. Other components were also located in the damaged area of the bus. The exact cause of the fire has not been determined. The Equalizer was returned to Sure Power but the failure mode could not be determined as the Equalizer was too damaged.
- Sure Power decided to replace all Series 1 battery equalizers manufactured from October 24, 2000 through April 30, 2001 that had been installed on NABI buses and officially notified NABI on or about September 1, 2006. Reference NHTSA assigned Recall # 06E-077.
- On September 12, 2006 NABI decided to initiate a formal recall of all buses equipped with the Sure Power Series 1 Equalizers manufactured during the dates noted above.

- 2) **MEASURES TO BE TAKEN TO REPAIR VEHICLE:** The owner will be officially notified of the defect by NABI. Sure Power and NABI will arrange to have the vehicles inspected. The battery equalizer will be replaced with a new equalizer on the affected vehicles.
- 3) **REMEDY EXPENSE:** NABI and Sure Power will replace the equalizers on the affected vehicles free of charge.
- 4) **EARLIEST DATE TO BE REMEDIED:** Sure Power has already started the equalizer replacement campaign.
- 5) **PUBLIC ANNOUNCEMENT DATE:** There will be no public announcement.
- 6) **OWNER LETTER/QUARTERLY REPORTS:** NABI will notify owners and provide quarterly reports to NHTSA. A draft of the owner notification letter is enclosed for review by NHTSA.

NABI letterhead
DRAFT

SAFETY RECALL

September, 2006
Dear NABI Customer:

NHTSA Campaign #
NABI Recall # 20062

This notice is being sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. North American Bus Industries, Inc. (NABI) has decided that a defect which relates to motor vehicle safety exists in certain NABI 40' LFW, low floor model buses built between July 22, 2000 and July 14, 2001 equipped with Sure Power Series 1 battery equalizers. These battery equalizers were manufactured by Sure Power Industries between October 24, 2000 and April 30, 2001. The affected equalizers will have a serial number in the range of 20000001-20001737 or 01000000-01001223.

Our records identify you as the owner of the vehicles shown on the attached list that are affected by this recall.

REASON FOR THIS RECALL

NABI and Sure Power Industries have determined that certain 40LFW NABI buses were equipped with Sure Power Industries Series 1 Battery Equalizers. These battery equalizers were manufactured from October 24, 2000 through April 30, 2001 and used an inductor with the coils protected by insulation. Over time, this inductor insulation may degrade creating a short within the equalizer. The shorted inductor may cause the Battery Equalizer to smoke or burn. This could possibly lead to vehicle damage and potential for a vehicle fire.

This recall is being undertaken to inspect replace the battery equalizer on the affected vehicles.

ACTION YOU SHOULD TAKE

Sure Power and NABI Customer Service will arrange to have the necessary repairs made to your vehicles at the earliest convenience. If you have already replaced the Battery Equalizer prior to receiving this notification you may be eligible for reimbursement. Contact Sure Power for further information, Jeff Ham at 800-845-6269 extension 113 or jham@surepower.com.

If NABI does not remedy this condition without charge on the mutually agreed upon service date or within 5 days of this agreed upon date, you can obtain assistance by calling NABI Customer Service at (888) 424-5844, Ext 7900. You may also wish to submit a complaint to the Administrator, National Highway Traffic Safety Administration, 400 Seventh St., S.W., Washington D.C. 20590, or call the toll-free Auto Safety Hot-line at 1-888-327-4236 if you believe that NABI has failed to remedy the vehicle without charge, within a reasonable time, which is no longer than 60 days after your first tender to obtain repair. 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 Sure Power for further information, Jeff Ham at 800-845-6269 extension 113, jham@surepower.com or contact NABI Customer Service at (256) 831-4296.

Federal law requires that any vehicle lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days.

We apologize for any inconvenience this matter may cause you.

North American Bus Industries, Inc.