

RECEIVED

2006 NOV 9

RECALL MANAGEMENT DIVISION



MONACO
COACH CORPORATION

06V-426
(6 pages)

October 26, 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Associate Administrator for Enforcement
National Highway Traffic Safety Administration
U.S. Department of Transportation
400 Seventh Street SW
Washington, DC 20590

Dear Associate Administrator:

Pursuant to 49 CFR Part 573, Monaco Coach Corporation ("Monaco" or the "Company") is submitting this report to NHTSA concerning a safety recall campaign, which is being voluntarily initiated. Specific information is as follows:

573.5(c)(2)

The affected vehicles include the following Class A Motorhomes:

Beaver: 2005 Monterey (35), 2006 Patriot (9) and 2006 Marquis (6)

The affected motorhomes were manufactured from January 3, 2005 through February 8, 2005.

573.5(c)(3)

A total of **fifty (50)** Class A motorhomes are in the recall population. Of this total, **forty seven (47)** are in the United States and **three (3)** are in Canada.

573.5(c)(4)

Monaco Coach Corporation is unaware of the amount of vehicles that actually contain the defect, but has determined that all of the motorhomes in this recall population need to be inspected to determine if the nut and bolt combination is incorrect. Two (2) motorhomes in the United States recall population were performed and none in Canada; therefore forty five (45) motorhomes are needing to be inspected and repaired if needed, or approximately 94% of the recall population for the United States.

The recall population was determined from the manufacturing records for the Company's manufacturing facility in Bend, Oregon which produced the affected motorhomes.

573.5(c)(5)

Monaco Coach Corporation determined that our former Beaver manufacturing plant in Bend, Oregon used improper nut and bolt combinations on some vehicles where the steering column and intermediate steering shaft connect together. The Bend facility built some units with a standard nut to clamp the intermediate shaft onto the steering shaft instead of a lock nut of some type. This is located above the floor level in front of the driver seat inside the steering column surround. The nut can loosen prematurely, allowing the bolt to come out, and allow the intermediate shaft to become disconnected from the steering column shaft which would result in a loss of the ability to steer the vehicle which could result in a crash.

573.5(c)(6)

Monaco Coach Corporation received a customer report on July 26, 2006, that he lost control of steering on an Alaskan highway and found that the bolt had come out of the connection between the steering column and the intermediate steering shaft. We researched 300 units before and after coach 801418 (coach number of customer report) and with these results we narrowed scope down to be within these 50 units included on the recall population. It appeared that the Bend production plant was the only plant using nuts and bolts from a parts bin instead of using nuts and bolts provided by the intermediate shaft vendor. Monaco Coach Corporation is currently not aware of any casualties or losses related to this issue.

573.5(c)(7)

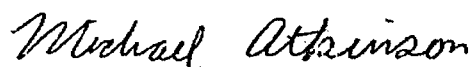
Monaco Coach Corporation pulled a scope originally of 20 units before and after coach 801418 to determine if any of these units were on dealers lot to have inspected. We had to pull a scope of 331 units to find units still on dealers lot to inspect and we contacted those dealers. Between July 27, 2006 and August 29, 2006 we had dealers inspect 19 units and supply pictures with varying results. Due to these varying results, we decided to inspect units at the Monaco Western Homecoming Rally (September 18-22, 2006). After these inspections, all data was compiled on spreadsheets and provided to engineering that reviewed the results and advised us on October 23, 2006 that a recall should be performed.

573.5(c)(8)

Monaco Coach Corporation will be sending a notification letter to all current owners of motorhomes in the recall population. A dealer will need to inspect the nut and bolt combination installed on the motorhome to determine if the nut and bolt combination is proper. If the nut and bolt are appropriate, the dealer will be required to re-torque; if the nut and bolt are incorrect, the dealer will be required to replace with a new nut and bolt supplied by Monaco.

Copies of the drafts of owner and dealer notification letters are included for your approval. Repair instructions and final owner and dealer notification letters will be provided pending approval and recall number. The Company is prepared to begin owner and dealer notification in November 2006.

Sincerely,

A handwritten signature in cursive script that reads "Michael Atkinson".

Michael Atkinson
Recall Administrator
Monaco Coach Corporation



November XX, 2006

VEHICLE SAFETY DEFECT SERVICE BULLETIN
Recall Campaign No. 06VXXX000
Monaco File # R06025

Re: Safety Recall – Steering Nut and Bolt

Dear Owner:

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

Monaco Coach Corporation has decided that a defect which relates to motor vehicle safety exists in certain Class A motorhomes manufactured from January 2, 2005 through February 8, 2005. The affected vehicles are certain Beaver 2005 Monterey, 2006 Patriot and 2006 Marquis.

According to our information, your unit identified on the enclosed form is affected. *Federal law requires that any vehicle lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days.*

Monaco Coach Corporation became aware of a defect with respect to the nut and bolt combination used on specific Beaver 2005 Monterey, 2006 Patriot and 2006 Marquis Class A Motorhomes. The defect relates to the nut and bolt combination that is used to clamp the intermediate shaft onto the steering shaft. Without the proper nut and bolt combination, the nut can loosen prematurely and allow the bolt to come out which would allow the intermediate shaft to become disconnected from the steering column shaft. If this would occur, it can cause you to lose the ability to control your vehicle, which could result in a crash. As a precautionary measure, Monaco Coach Corporation has elected to perform this voluntary safety recall campaign.

The remedy will involve inspection of the nut and bolt combination on your vehicle. If the improper combination is installed on your vehicle, your dealer will replace with a new nut and bolt supplied by Monaco. If the combination is correct, your dealer will re-torque the existing combination. The recall repair will be performed at no cost to you. If you had the defect, which is the subject of this letter, remedied prior to receiving this letter, you may be eligible for reimbursement by Monaco Coach Corporation for your remedy costs.

You may contact your Monaco Coach Corporation dealer to arrange for a service appointment. Instructions for making this correction have been sent to your dealer and parts are readily available.

The labor time necessary to perform this recall campaign is approximately X.X hours. Please ask your dealer if you wish to know how much additional time may be needed to schedule and process your motorhome.

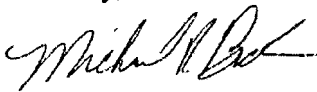
The enclosed Recall Notification Form identifies your motorhome and will serve as an authorization and claim form to have the correction made. Presentation of this form to your dealer will assist in making the necessary correction in the shortest possible time. If you have sold or traded your vehicle, or for any reason cannot have this recall service performed, please let us know by completing the postage paid reply card and returning it to us promptly.

Your Monaco Coach Corporation dealer is best equipped to provide service to ensure your motorhome is corrected as promptly as possible. If, however, you take your unit to your dealer on the agreed service date and the dealer does not remedy this condition on that date or within three (3) days, please call our toll free recall hotline at (800) 685-6545 or our toll free number for Technical Service at (877) 466-6226..

If, after contacting your dealer, and the recall assistance service line, you believe Monaco Coach Corporation has failed or has been unable to remedy the noncompliance without charge or there has been an unreasonable delay in securing the remedy, you may submit a complaint to the Administrator, National Highway Traffic Safety Administration, 400 Seventh Street, SW, Washington, DC 20590; or call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY:1-800-424-9153); or go to <http://www.safercar.gov>.

We apologize for any inconvenience that this may cause you. However, we have taken this action in the interest of your safety and continued satisfaction with your Monaco Coach Corporation Beaver Motorhome.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Becker". The signature is fluid and cursive, with the first name "Michael" being more prominent than the last name "Becker".

Michael R. Becker
Customer Service Manager
Monaco Coach Corporation



October 26, 2006

VEHICLE SAFETY DEFECT SERVICE BULLETIN
Recall Campaign 06VXXX000 US Units
Monaco File # R06025

Re: Safety Recall – Steering Nut and Bolt

Dear Monaco Coach Corporation Dealer:

Monaco Coach Corporation has initiated a voluntary safety recall campaign relating to certain Class A motorhomes manufactured from January 2, 2005 through February 8, 2005. The affected vehicles are certain Beaver 2005 Monterey, 2006 Patriot and 2006 Marquis.

A copy of the notification letter that is being sent to owners is enclosed.

The National Traffic and Motor Vehicle Safety Act provides that each vehicle that is subject to a recall campaign of this type must be adequately repaired within a reasonable time after the owner has tendered it for repair. Generally, failure to repair within sixty (60) days after the owner's first delivery for repair is assumed to be an unreasonable delay.

THE ISSUE

Monaco Coach Corporation became aware of a defect with respect to the nut and bolt combination used on specific Beaver 2005 Monterey, 2006 Patriot and 2006 Marquis Class A Motorhomes. The defect relates to the nut and bolt combination that is used to clamp the intermediate shaft onto the steering shaft. Without the proper nut and bolt combination, the nut can loosen prematurely and allow the bolt to come out which would allow the intermediate shaft to become disconnected from the steering column shaft. If this would occur, it can cause the operator to lose the ability to control the vehicle, which could result in a crash. As a precautionary measure, Monaco Coach Corporation has elected to perform this voluntary safety recall campaign.

AFFECTED UNITS

If our records indicate that you have any of the affected vehicles in your inventory, you will also receive an owner notification letter identifying those units. *Federal law requires that any vehicle lesser receiving this recall notice must forward a copy of this notice to the lessee within ten days.*

THE REPAIR

The remedy will involve inspection of the nut and bolt combination on the vehicle. If the improper combination is installed on the vehicle, you will replace with a new nut and bolt supplied by Monaco. If the combination is correct, you will re-torque the existing combination. Please review the repair instructions for the labor operation code and labor time allowance. Parts are readily available by faxing the enclosed Recall Parts Purchase Order to 1-800-498-9478. If you have any questions concerning the repair procedure, please contact a member of our Technical Support staff toll free at 877-332-9239.

DEALER CAMPAIGN RESPONSIBILITY

All unsold new/used vehicles in dealer's possession and subject to this campaign must be held and inspected/repared per the service procedure of this campaign bulletin before owners take possession of these vehicles. Dealers are to service all vehicles subject to this campaign at no charge to owners, regardless of mileage, age of vehicle, or ownership, from this time forward.

Owners of vehicles recently sold from your new/used vehicle inventory for which the dealer receives the owner recall notification are to be contacted by the dealer, and arrangements made to make the required correction according to the instructions enclosed with this bulletin. This could be done by mailing to such owners a copy of the applicable owner letter accompanying this bulletin. Please also notify Monaco Coach Corporation of any such owner you have received notification for.

In summary, whenever a vehicle subject to this campaign enters your vehicle inventory, or is in your dealership for service in the future, please take the steps necessary to be sure the campaign correction has been made *before* selling or releasing the vehicle.

In addition to a letter, owners will receive a recall notification/dealer claim form. The vehicle owner will present this form to you upon arrival for the service appointment. Please review the instructions on the face of the notification form and fill in the claim portion when the repair is completed.

Sincerely,



Michael R. Becker
Customer Service Manager
Monaco Coach Corporation