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MONACO
COACH CORPORATION

October 26, 2006

06V-429
(6 pages)

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:

Monaco: 2007 Camelot (73)

Holiday Rambler: 2007 Scepter (66)

Beaver: 2007 Contessa (76)

The affected motorhomes were manufactured from March 14, 2006 through October 12, 2006.

573.5(c)(3)

A total of **two hundred and fifteen (215)** Class A motorhomes are in the recall population. Of this total, **two hundred and six (206)** are in the United States and **nine (9)** are in Canada.

573.5(c)(4)

Monaco Coach Corporation has determined that all of the motorhomes in this recall population need to have the repair made. Thirty (30) motorhomes in the United States recall population have been repaired and one (1) motorhome in the Canada recall population has been repaired. Therefore, one hundred and seventy-six (176) motorhomes are still needing to have the repair performed, or approximately 85% of the United State recall population.

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

573.5(c)(5)

Monaco Coach Corporation determined that our manufacturing plant 17 in Coburg, Oregon was not installing heat shields in the LP tank bay even though the exhaust for the HydroHot is within 18" of the LP tank. This is located under the coach, near the LP tank on the passenger side. This is a violation of ANSI A119.2 code 5.2.5. The heat from the HydroHot exhaust could place excessive temperature on the exterior surface of the LP tank. This could eventually lead to unexpected venting of LP to the atmosphere through the LP tank safety relief valve.

573.5(c)(6)

Monaco Coach Corporation became aware of this on October 23, 2006 by way of an employee report. Rob Fisher (Production Control) notified us of the need to install heat shields on specific units in the field. Plant 17 in Coburg, Oregon didn't start building these models (Camelot, Scepter and Contessa) until the 2007 model year. Prior model years of Camelot and Scepter were built in plant 1 in Wakarusa, Indiana and had heat shields installed. Monaco Coach Corporation is currently not aware of any casualties or losses related to this issue.

573.5(c)(7)

Monaco Coach Corporation has installed the heat shields in the past per applicable code requirements. Accordingly, there is no need for further testing.

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 install a heat shield between the HydroHot exhaust and the LP tank.

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,



Michael Atkinson
Recall Administrator
Monaco Coach Corporation



MONACO
COACH CORPORATION

November XX, 2006

VEHICLE SAFETY DEFECT SERVICE BULLETIN

Recall Campaign 06VXXX000 US Units

Recall Campaign 06-XXX CN Units

Monaco File # R06036

Re: Safety Recall – Missing Heat Shield

Dear Monaco Coach Corporation Dealer:

Monaco Coach Corporation has initiated a voluntary safety recall campaign relating to certain Class A motorhomes manufactured from March 14, 2006 through October 12, 2006. The affected vehicles are certain 2007 Monaco Camelot, Holiday Rambler Scepter and Beaver Contessa.

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 has become aware of a safety defect with respect to the LP tank and the HydroHot exhaust. Monaco has determined that for a certain period of time our manufacturing plant 17 in Coburg, Oregon was not installing heat shields in the LP tank bay even though the exhaust for the HydroHot is within 18" of the LP tank. This is located under the coach, near the LP tank on the passenger side. This is a violation of ANSI A119.2 code 5.2.5. The heat from the HydroHot exhaust could place excessive temperature on the exterior surface of the LP tank. This could eventually lead to unexpected venting of LP to the atmosphere through the LP tank safety relief valve. 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 the installation on a heat shield between the HydroHot exhaust and the LP tank. 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



November XX, 2006

VEHICLE SAFETY DEFECT SERVICE BULLETIN
Recall Campaign No. 06VXXX000
Monaco File # R06036

Re: Safety Recall – Missing Heat Shield

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 March 14, 2006 through October 12, 2006. The affected vehicles are certain 2007 Monaco Camelot, Holiday Rambler Scepter and Beaver Contessa Class A Motorhomes.

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 has become aware of a safety defect with respect to the LP tank and the HydroHot exhaust. Monaco has determined that during this period of time, our manufacturing plant 17 in Coburg, Oregon was not installing heat shields in the LP tank bay even though the exhaust for the HydroHot is within 18" of the LP tank. This is located under the coach, near the LP tank on the passenger side. This is a violation of ANSI A119.2 code 5.2.5. The heat from the HydroHot exhaust could place excessive temperature on the exterior of the LP tank and result in unexpected venting of LP gas through the LP tank safety relief valve. As a precautionary measure, Monaco Coach Corporation has elected to perform this voluntary safety recall campaign.

The remedy will involve the installation on a heat shield between the HydroHot exhaust and the LP tank. 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.

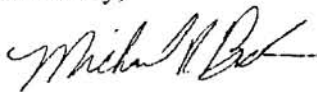
The enclosed Recall Notification Form identifies your motorhome and will serve as an authorization and claim form to have the correction made. Presentation of this form to your dealer will assist in making the necessary correction in the shortest possible time. If you have sold or traded your vehicle, 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 vehicle.

Sincerely,



Michael R. Becker
Customer Service Manager
Monaco Coach Corporation