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OFFICE OF DEFECTS
INVESTIGATION



07V-010
(6 pages)

MONACO
COACH CORPORATION

December 21, 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 furnishing this report to NHTSA concerning a safety recall campaign which is being voluntarily initiated. Specific information is as follows:

Monaco’s identification code is R02206.

573.6(c)(2)

The affected vehicles include the following Class A Motorhomes:

Monaco: 2001-2003 Lapalma, 2001-2002 Monarch and 2002-2003 Monarch SE

Holiday Rambler: 2001-2002 Admiral, 2002-2003 Admiral SE, 2001-2002 Endeavor Gas and 2001-2003 Vacationer

The affected motorhomes were manufactured from September 5, 2000 through November 5, 2002.

573.6(c)(3)

A total of **two thousand and eighty-six (2086)** Class A motorhomes are in the recall population.

Of this total, **two thousand and thirty-five (2035)** are in the United States and **fifty-one (51)** are in Canada.

573.6(c)(4)

Monaco Coach Corporation has determined that all of the motorhomes in this recall population would need to have the repair made. Monaco believes that approximately 75% to 80% of the recall population currently needs the repair.

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

573.6(c)(5)

The frame extension lower flange is cracking allowing the hitch to bend down. The frame has either 36" or 42" extensions on it to extend to the back bumper. The hitch receiver is secured to the extensions' lower flange. Observed contributing factors to failures are customers exceeding the weight rating of the hitch and tongue loads, hitches not setup at proper angles, not using supplemental towed vehicle braking systems and hitch extensions which reduce the overall hitch and tongue weight rating by 50 percent. The hitch receivers and extensions are located at the rear of the motorhome center of the coach frame area. The hitch can tear loose the lower flange of the extension and may cause the hitch to drag the ball mount or come separated from vehicle. The operator may notice that the tow bar or A-frame is positioned at a distorted angle.

573.6(c)(6)

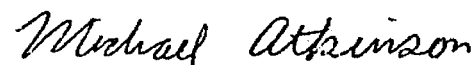
Monaco Coach Corporation had several complaints in 2001 and 2002 which led to investigations and determined the conditions of improper use. The Company produced a service bulletin to inform dealers of the situation and supplied instructions of how to repair if there was a complaint. Upon further investigation, Monaco has decided that the frame extension flange may be a contributing factor and is converting the service bulletin to this safety recall after receiving additional complaints. Testing was done in 2002 for conformance to SAE J684 and the configuration passed. Adding angles for reinforcement will give additional strength for possible overloading or customer neglect. Monaco Coach Corporation is currently not aware of any casualties, but is aware of a few instances in which the hitch bent which caused minor damage to the rear of the motorhome and/or front of the towed vehicle, but that in each instance it appeared that the failure was caused by overloading or other improper use.

573.6(c)(8)

Monaco Coach Corporation will be sending a notification letter to all current owners of motorhomes in the recall population. The remedy will involve the addition of two pieces of angle steel; one to each side on the interior side of the frame extension where the hitch mounts to the frame extension in order to reinforce the frame extension flange.

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 January 2007 when parts are available.

Sincerely,



Michael Atkinson
Recall Administrator
Monaco Coach Corporation



January XX, 2007

VEHICLE SAFETY DEFECT SERVICE BULLETIN
Recall Campaign No. 06VXXX000
Monaco File # R02206

Re: Safety Recall – Frame Extension

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 September 5, 2000 through November 5, 2002. The affected vehicles are certain Monaco 2001-2003 Lapalma, 2001-2002 Monarch and 2002-2003 Monarch SE, and Holiday Rambler 2001-2002 Admiral, 2002-2003 Admiral SE, 2001-2002 Endeavor Gas and 2001-2003 Vacationer.

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.*

The frame extension lower flange may crack allowing the hitch to bend down. The hitch receiver is secured to the lower flange of frame extension. Observed contributing factors to failures are customers exceeding the weight rating of the hitch and tongue loads, hitches not setup at proper angles, not using supplemental towed vehicle braking systems and hitch extensions which reduce the overall hitch and tongue weight rating by 50 percent. The hitch can tear loose the lower flange of the extension and may cause the hitch to drag the ball mount or come separated from vehicle. The operator may notice that the tow bar or A-frame is positioned at a distorted angle. As a precautionary measure, Monaco Coach Corporation has elected to perform this voluntary safety recall campaign.

The remedy will involve the addition of two pieces of angle steel to the frame extension and hitch mounting point in order to reinforce the frame extension flange. 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 1.0 hours. Please ask your dealer if you wish to know how much additional time may be needed to schedule and process your motorhome.

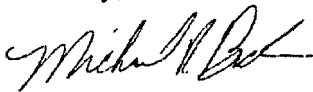
The enclosed Recall Notification Form identifies your motorhome and will serve as an authorization and claim form to have the correction made. Presentation of this form to your dealer will assist in making the necessary correction in the shortest possible time. If you have sold or traded your vehicle,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

Michael R. Becker
Customer Service Manager
Monaco Coach Corporation



January XX, 2006

VEHICLE SAFETY DEFECT SERVICE BULLETIN

Recall Campaign 06VXXX000 US Units

Recall Campaign 06-XXX CN Units

Monaco File # R02206

Re: Safety Recall – Frame Extension

Dear Monaco Coach Corporation Dealer:

Monaco Coach Corporation has initiated a voluntary safety recall campaign relating to certain Class A motorhomes manufactured from September 5, 2000 through November 5, 2002. The affected vehicles are certain Monaco 2001-2003 Lapalma, 2001-2002 Monarch and 2002-2003 Monarch SE, and Holiday Rambler 2001-2002 Admiral, 2002-2003 Admiral SE, 2001-2002 Endeavor Gas and 2001-2003 Vacationer.

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

The frame extension lower flange may crack allowing the hitch to bend down. The hitch receiver is secured to the lower flange of frame extension. Observed contributing factors to failures are customers exceeding the weight rating of the hitch and tongue loads, hitches not setup at proper angles, not using supplemental towed vehicle braking systems and hitch extensions which reduce the overall hitch and tongue weight rating by 50 percent. The hitch can tear loose the lower flange of the extension and may cause the hitch to drag the ball mount or come separated from vehicle. The operator may notice that the tow bar or A-frame is positioned at a distorted angle. 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 addition of two pieces of angle steel; one to each side on the interior side of the frame extension where the hitch mounts to the frame extension and a new hitch bolt kit in order to reinforce the frame extension flange. 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