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OFFICE OF DEFECTS
INVESTIGATION/RMD



November 22, 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

07V-016
(6 pages)

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:

573.6(c)(2)

The affected vehicles include the following Class A Motorhomes:

Monaco: 2007 Monarch (27) and Cayman (30)

Holiday Rambler: 2007 Admiral (22) and Neptune (30)

Safari: 2007 Simba (13), Simba Diesel (50) and Trek Gas (8)

The affected motorhomes were manufactured from September 8, 2006 through October 23, 2006.

573.6(c)(3)

A total of **one hundred and eighty (180)** Class A motorhomes are in the recall population. Of this total, **one hundred and seventy-one (171)** are in the United States and **nine (9)** are in Canada.

573.6(c)(4)

Monaco Coach Corporation has determined that all of the motorhomes in this recall population need to have the repair made. Fifty-five (55) motorhomes in the United States recall population have been repaired and two (2) motorhomes in the Canada recall population have been repaired; therefore one hundred and sixteen (116) motorhomes are needing to be repaired, or approximately 68% of the recall population for the United States.

The recall population was determined from the manufacturing records for the Company’s manufacturing facility in Wakarusa, Indiana which produced the affected motorhomes.

573.6(c)(5)

Monaco Coach Corporation determined that a production employee used the incorrect screw to install the black and white CRT back-up monitor in the dash. The incorrect screws are ¼” longer than specified and may contact a PC board inside the monitor which could potentially hit a high voltage circuit on the PC board of approximately 10,000-13,000 volts. The monitor is located on the backside of the center dash console between the driver and passenger. If the screw makes contact with the high voltage tracer on the PC board and someone would touch the screw head with power on, this could result in an electrical shock. This screw is not visible or open to normal use area of the vehicle such as while driving or riding in the vehicle. The instrument panel would have to be removed or someone would have to be reaching under the dash to the back side of the panel to come in contact with the screw.

573.6(c)(6)

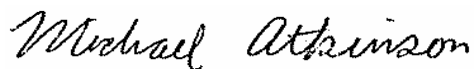
A production audit in connection with monitor failures revealed that the incorrect screw was being used for the installation process. Monaco Coach Corporation is currently not aware of any casualties or losses related to this issue.

573.6(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 monitor to verify the operation of the monitor. If the monitor is operating properly, the repair will consist of replacing the incorrect screw with the specified screw and testing for proper operation. If the monitor is not operating properly on initial inspection, the monitor will be replaced using the correct screw.

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 December 2006.

Sincerely,



Michael Atkinson
Recall Administrator
Monaco Coach Corporation



December XX, 2006

VEHICLE SAFETY DEFECT SERVICE BULLETIN
Recall Campaign 06VXXX000 US Units
Recall Campaign 06-326 CN Units
Monaco File # R06040

Re: Safety Recall – Wrong Screw used in Monitor

Dear Monaco Coach Corporation Dealer:

Monaco Coach Corporation has initiated a voluntary safety recall campaign relating to certain Class A motorhomes manufactured from September 8, 2006 through October 23, 2006. The affected vehicles are certain 2007 Monaco Monarch and Cayman, Holiday Rambler Admiral and Neptune and Safari Simba, Simba Diesel and Trek Gas.

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 determined that a production employee used the incorrect screw to install the black and white CRT back-up monitor in the dash. The incorrect screws are 1/4" longer than specified and may contact a PC board inside the monitor which could potentially hit a high voltage circuit on the PC board of approximately 10,000-13,000 volts. The monitor is located on the backside of the center dash console between the driver and passenger. If the screw makes contact with the high voltage tracer on the PC board and someone would touch the screw head with power on, this could result in an electrical shock. This screw is not visible or open to normal use area of the vehicle such as while driving or riding in the vehicle. The instrument panel would have to be removed or someone would have to be reaching under the dash to the back side of the panel to come in contact with the screw. 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 lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days.*

THE REPAIR

The remedy will involve the inspection of the back-up monitor to verify the operation of the monitor. If the monitor is operating properly, the repair will consist replacing the incorrect screw with the specified screw and testing for proper operation. If the monitor is not operating properly on initial inspection, the monitor will be replaced using the correct screw. 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/repaired 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



December XX, 2006

VEHICLE SAFETY DEFECT SERVICE BULLETIN
Recall Campaign No. 06VXXX000
Monaco File # R06040

Re: Safety Recall – Wrong Screw used in Monitor

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 8, 2006 through October 23, 2006. The affected vehicles are certain 2007 Monaco Monarch and Cayman, Holiday Rambler Admiral and Neptune and Safari Simba, Simba Diesel and Trek Gas.

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 determined that a production employee used the incorrect screw to install the black and white CRT back-up monitor in the dash. The incorrect screws are ¼” longer than specified and may contact a PC board inside the monitor which could potentially hit a high voltage circuit on the PC board of approximately 10,000-13,000 volts. The monitor is located on the backside of the center dash console between the driver and passenger. If the screw makes contact with the high voltage tracer on the PC board and someone would touch the screw head with power on, this could result in an electrical shock. This screw is not visible or open to normal use area of the vehicle such as while driving or riding in the vehicle. The instrument panel would have to be removed or someone would have to be reaching under the dash to the back side of the panel to come in contact with the screw. As a precautionary measure, Monaco Coach Corporation has elected to perform this voluntary safety recall campaign.

The remedy will involve a dealer inspecting the back-up monitor to verify the operation of the monitor. If the monitor is operating properly, the repair will consist replacing the incorrect screw with the specified screw and testing for proper operation. If the monitor is not operating properly on initial inspection, the monitor will be replaced using the correct screw. 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 0.5 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 Motorhome.

Sincerely,



Michael R. Becker
Customer Service Manager
Monaco Coach Corporation