



MOTOR COACH INDUSTRIES

RECEIVED

2007 MAY 3

RECALL MANAGEMENT DIVISION

Timothy J. Nalepka
Senior Vice President & General Counsel

Direct Line: (847) 285-2085
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April 30, 2007

07V-191
(9 Pages)

BY EMAIL

National Highway Traffic Safety Administration
400 Seventh Street, N.W.
Washington, DC 20590
Attention: Ms. Patricia Wallace

Re: PART 573 NOTICE RE MCI F3500 STEERING ARM IDLER BRACKET

Dear Ms. Wallace:

I have enclosed Motor Coach Industries, Inc.'s ("MCI") Part 573 Defect and Noncompliance Report, including attachments, in connection with the referenced matter.

Please confirm receipt of this document and advise if NHTSA has any comments or recommendations, so that MCI may issue the customer notifications.

Thanks for your assistance with this matter.

Sincerely,
MOTOR COACH INDUSTRIES, INC.

By: Timothy J. Nalepka
Senior Vice President &
General Counsel

Enclosures

c: Paul Murphy (w/ encls.)

Safety Defect and Noncompliance Report Guide for Vehicles
PART 573 Defect and Noncompliance Report

On April 12, 2007, Motor Coach Industries, Inc. decided that a defect which relates to motor vehicle safety exists in the motor vehicles listed below, and is furnishing notification to the National Highway Traffic Safety Administration in accordance with 49 CFR Part 573 **Defect and Noncompliance Reports**.

Furnish the manufacturer's identification code for this recall (if applicable):

MCI Service Bulletin 279 (see attached draft)

1. Identify the full corporate name of the fabricating manufacturer of the vehicle being recalled. If the recalled vehicle is imported, provide the name and mailing address of the designated agent as prescribed by 49 U.S.C. §30164.

Motor Coach Industries, Inc.
1700 E. Golf Road
Suite 300
Schaumburg, IL 60173

Identify the corporate official, by name and title, whom the agency should contact with respect to this recall.

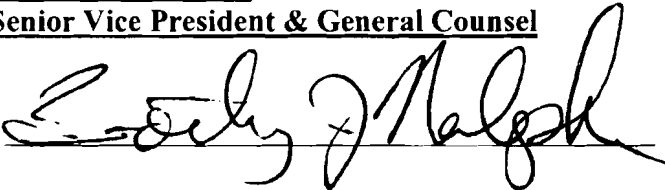
Paul Murphy
Director, Regulatory Compliance

Telephone Number: **(204) 287-4982** Fax No.: **(204) 478-2814**

Name and Title of Person who prepared this report.

Timothy J. Nalepka
Senior Vice President & General Counsel

Signed: _____



I. Identify the Vehicle Models Involved in the Recall

2. Identify the Vehicles Involved in the Recall, for each make and model or applicable vehicle line (provide illustrations or photographs as necessary to describe the vehicle), provide:

Make(s): MCI

Model Years and Models Involved: 1999 – 2003 F3500

VIN Range: **Beginning:** 90001 **Ending:** 90163

Identify the approximate percentage of the production of all the recalled models manufactured by your company between the inclusive dates of manufacture provided above, that the recalled model population represents. For example, if the recall involved Widgets equipped with certain items of equipment from January 1, 1996 through April 1, 1997, then what was the percentage of the recalled Widgets of all Widgets manufactured during that time period.

100% of the coach models identified above.

II. Identify the Recall Population

3. Furnish the total number of vehicles recalled potentially containing the defect or noncompliance.

Total Number Potentially Affected by the Recall: 163

4. Furnish the approximate percentage of the total number of vehicles estimated to actually contain the defect or noncompliance:

MCI believes the defect to be the result of welding anomalies, and that 10% or fewer of the coaches identified above will likely have the defect.

Identify and describe how the recall population was determined--in particular how the recalled models were selected and the basis for the beginning and final dates of manufacture of the recalled vehicles:

The beginning and ending units of the recalled coaches were determined based on MCI's records of its coaches that were manufactured with the steering arm idler mounting brackets in question.

III. Describe the Defect or Noncompliance

5. Describe the defect or noncompliance. The description should address the nature and physical location of the defect or noncompliance. Illustrations should be provided as appropriate.

In February 2007, MCI received notice of a possible defect related to steering control on unit 90006, a 2002 MCI model F3500C. MCI conducted an inspection of the front steering system, coach frame, and front cross brace. MCI observed that where the steering arm idler bracket mounting was attached to the underside of the frame, the frame structure had cracked and the idler plate had completely separated. After inspecting the involved components, MCI initially determined that lack of proper maintenance led to the cracking and subsequent failure. Further, MCI had not received any reports of similar failures as of that time.

MCI subsequently received a report of another F3500 coach reported to have cracking in the same area. After inspecting this coach and completing its engineering analysis and review, MCI determined that the cracking had originated at the heat-affected zone of the weld at the steering arm idler bracket location, apparently as a result of insufficient welding process during manufacture. If not identified and repaired during regular maintenance and inspection, the cracking could allow movement of the idler plate, and over an extended period of time progress and result in reduced steering control or steering loss if total failure of the mounting occurred.

MCI therefore determined the appropriate course of action is to add reinforcement gussets to all of the coaches identified above in section I.2 in order to reduce the stress where MCI observed cracking in the two coaches described above, and to repair the existing components in the affected units as necessary.

Describe the cause(s) of the defect or noncompliance condition.

After MCI completed its engineering analysis and review, MCI determined that the cracking had originated at the heat-affected zone of the weld at the steering arm idler bracket location, apparently as a result of insufficient welding process during manufacture. If not identified and repaired during regular maintenance and inspection, the cracking could allow movement of the idler plate, and over an extended period of time progress and result in reduced steering control or steering loss if total failure of the mounting occurred.

Describe the consequence(s) of the defect or noncompliance condition.

If the cracking occurs and is not identified and repaired during regular maintenance and inspection, the cracking could allow movement of the idler plate, and over an extended period of time progress and result in reduced steering control or steering loss if total failure of the mounting occurred.

Identify any warning which can (a) precede or (b) occur.

If the cracking begins to develop, it can be identified during regular maintenance and inspection of the coach suspension as described in the MCI F3500 maintenance manual.

If the defect or noncompliance is in a component or assembly purchased from a supplier, identify the supplier by corporate name and address.

N/A

Identify the name and title of the chief executive officer or knowledgeable representative of the supplier:

N/A

If the recall is for a defect, complete item 6, otherwise item 7.

6. With respect to a defect, furnish a chronological summary (including dates) of all the principle events that were the basis for the determination of the defect. The summary should include, but not be limited to, the number of reports, accidents, injuries, fatalities, and warranty claims.

1) In February 2007, MCI received notice of a possible defect related to steering control on unit 90006, a 2002 MCI model F3500C. MCI conducted an inspection of the front steering system, coach frame, and front cross brace. MCI observed that where the steering arm idler bracket mounting was attached to the underside of the frame, the frame structure had cracked and the idler plate had completely separated. After inspecting the involved components, MCI initially determined that lack of proper maintenance led to the cracking and subsequent failure. Further, MCI had not received any reports of similar failures as of that time.

2) MCI subsequently received a report of another F3500 coach reported to have cracking in the same area. After inspecting this coach and completing its engineering analysis and review, MCI determined that the cracking had originated at the heat-affected zone of the weld at the steering arm idler bracket location, apparently as a result of insufficient welding process during manufacture. If not identified and repaired during regular maintenance and inspection, the cracking could allow movement of the idler plate, and over an extended period of time progress and result in reduced steering control or steering loss if total failure of the mounting occurred.

3) MCI therefore determined the appropriate course of action is to add reinforcement gussets to all of the coaches identified above in section 1.2 in order to reduce the stress where MCI observed cracking in the two coaches described above, and to repair the existing components in the affected units as necessary.

4) MCI has not received any reports of any injuries or fatalities in connection with this matter. The only property damage reports of which MCI is aware are with respect to claimed property damage to the two coaches described above due to the steering failure.

5) The two coaches described above are being repaired as required by regulation under this campaign.

7. With respect to a noncompliance, identify and provide the test results or other data (in chronological order and including dates) on which the noncompliance was determined.

N/A

V. Identify the Remedy

8. Furnish a description of the manufacturer's remedy for the defect or noncompliance. Clearly describe the differences between the recall condition and the remedy.

MCI will add reinforcement gussets to all of the coaches identified above in section I.2 in order to reduce the stress where MCI observed cracking in the two coaches described above, and will repair the existing components in the affected units as necessary.

Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly.

The gussets to be added will reduce the stress where MCI observed cracking in the two coaches described above, which MCI believes will prevent any cracking in the recalled coaches that may have experienced a welding anomaly during manufacture. MCI believes that the repairs described in the attached draft MCI Service Bulletin 279 are adequate to repair any cracking that may have occurred on the subject coaches.

Identify and describe how and when the recall condition was corrected in production. If the production remedy was identical to the recall remedy in the field, so state. If the product was discontinued, so state.

MCI ceased production of the F3500 model coach in 2003.

VI. Identify the Recall Schedule

9. Furnish a schedule or agenda (with specific dates) for notification to other manufacturers, dealers/retailers, and purchasers. Please, identify any foreseeable problems with implementing the recall.

MCI will send the customer notification letter and MCI Service Bulletin 279 to affected

customers upon NHTSA's approval of same. MCI estimates that the parts required by MCI Service Bulletin 279 should be available by mid-May 2007.

VII. Furnish Recall Communications

10. Furnish a final copy of all notices, bulletins, and other communications that relate directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, or purchaser. This includes all communications (including both original and follow-up) concerning this recall from the time your company determines the defect or noncompliance condition on, not just the initial notification. *A DRAFT copy of the notification documents should be submitted to this office by Fax (202-366-7882) for review prior to mailing.*

MCI has attached its proposed customer notification letter. A copy of a draft bulletin will be sent for your review shortly.

Note that these documents are to be submitted separately from those provided in accordance with Part 573.8 requirements.

May XX, 2007

«Customer»
«attention»
«address»
«c», «s» «zip»

SUBJECT: MCI F3500 STEERING ARM IDLER BRACKET RECALL

Ref.: NHTSA #
TRANSPORT CANADA #
MCI Service Bulletin 279

Attention Owner:

This notice is sent to you in accordance with the National Traffic and Motor Vehicle Safety Act and with the Canadian Motor Vehicle Safety Act - Notice of Safety Defects. Motor Coach Industries, Inc. ("MCI") has decided that a defect which relates to motor vehicle safety exists on certain model year 2002 – 2003 F3500 model coaches, which could result in a crash.

In February 2007, MCI received notice of a possible defect related to steering control on unit 90006, a 2002 MCI model F3500C. MCI conducted an inspection of the front steering system, coach frame, and front cross brace. MCI observed that where the steering arm idler bracket mounting was attached to the underside of the frame, the frame structure had cracked and the idler plate had completely separated. After inspecting the involved components, MCI initially determined that lack of proper maintenance led to the cracking and subsequent failure. Further, MCI had not received any reports of similar failures as of that time.

MCI subsequently received a report of another F3500 coach reported to have cracking in the same area. After inspecting this coach and completing its engineering analysis and review, MCI determined that the cracking had originated at the heat-affected zone of the weld at the steering arm idler bracket location, apparently as a result of insufficient welding process during manufacture. If not identified and repaired during regular maintenance and inspection, the cracking could allow movement of the idler plate, and over an extended period of time progress and result in reduced steering control or steering loss if total failure of the mounting occurred.

MCI therefore determined the appropriate course of action is to add reinforcement gussets to all of the coaches identified in order to reduce the stress where MCI observed cracking in the two coaches described above, and to repair the existing components in the affected units as necessary.

Enclosed please find a copy of MCI Service Bulletin 279, which describes the corrective action that should be taken as soon as possible. MCI estimates that the parts required by MCI Service Bulletin 279 should be available by mid-May 2007. In the interim, MCI recommends the inspection of the steering arm idler bracket mounting assembly for any signs of cracking and excessive movement. If you observe any cracking or excessive movement, please contact the MCI Customer Service line so that we may assist in repairing your coach and ensure safe operation of the subject coaches.

MCI records indicate that you are the owner or operator of the following unit(s) included in this recall:

«unit_number»

If you have any questions about this recall campaign, you may contact the MCI Customer Service Line at 1-800-241-2947.

After contacting MCI Customer Service, if you are still unable to have the safety defect remedied without charge and within a reasonable time, you may submit a complaint:

For the U.S.:

The Administrator
National Highway Traffic Safety Administration
400 Seventh Street, S.W.,
Washington, D.C. 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>.

For Canada:

Road Safety and Motor Vehicle
Regulation Directorate
Transport Canada
Tower C, Place de Ville
330 Sparks Street
Ottawa, Ontario
K1A 0N5

Or, call the Transport Canada's Information Centre at 1-800-333-0371.

If you are the lessor of this vehicle, Federal law requires that you forward this notice to the lessee within ten days of your receipt of this notice.

If you had this repair performed before you received this letter, you may be eligible to receive reimbursement for the cost of obtaining a pre-notification remedy of the problem associated with this recall. For more information contact the MCI Customer Service Line at 1-800-241-2947.

If you have sold or otherwise transferred the vehicle(s) identified above, please contact the MCI Customer Service Line at 1-800-241-2947 with all of the information you have regarding the current owner/operator of the vehicle(s), so that we can ensure that the vehicles are corrected.

Motor Coach Industries apologizes for any inconvenience this may cause.

Sincerely,

Motor Coach Industries
Warranty Department

Enclosure: MCI Service Bulletin 279