

RECEIVED

2007 JUNE -7 P 2:30

DEFECTS INVESTIGATION
RECALL MGMT DIV.

May 24, 2007

VIA FACSIMILE AND REGULAR MAIL

(202) 366-8065

07V-252
(6 pages)

Mr. Daniel Smith
National Highway Traffic Safety Administration
400 Seventh Street, SW Room 5321
Washington, DC 20590

Dear Mr. Smith:

As the Director of Aftersales for Piaggio Group Americas, Inc. the North American distributor of two-wheeled motor scooters and motorcycles, including the Moto Guzzi and Vespa brands, I write to notify you of several rare conditions that may arise on certain Moto Guzzi EV and Griso motorcycles, and on the Vespa GTS motor scooter. Out of an over-abundance of caution for our customers' safety, and our desire to comply with the mandate of the National Traffic and Motor Vehicle Safety Act [49 U.S.C. § 30118 and 49 CFR Part 573.5(b)], we hereby inform NHTSA of our intent to conduct Voluntary Safety Campaigns for these vehicles that will alleviate any concern for our customers or highway safety.

Piaggio is still in the process of conducting its investigation sufficient to provide a detailed response to several of NHTSA's inquiries under Part 573. Nevertheless, Piaggio hereby submits three (3) separate reports detailing the nature of the service campaigns.

Despite the findings noted in the reports, the company has confirmed that no customer has ever been injured in conjunction with any of the conditions that are the subject of these campaigns. Similarly, no customer has reported any accident or damage resulting from these issues.

Accordingly, we would request NHTSA's guidance on these issues, including but not limited to the approval of our plan to conduct three separate Voluntary Service Campaigns, free of charge to the customers in question. Unquestionably, Piaggio believes that if the campaigns are carried out, there will be a complete resolution of the issues presented.

Mr. Daniel Smith
NHTSA
May 24, 2007
Page 2

In this regard, our corporate counsel, Martin J. Kaufman, and I would greatly appreciate the opportunity to discuss this Voluntary Service Campaign at an in person meeting at your offices in Washington D.C., on or about the 2nd week of June, 2007. Please advise whether you and your colleagues are available for such a meeting.

We look forward to working closely with NHTSA in quickly addressing these issues and appreciate your time and consideration.

Very truly yours,

PIAGGIO GROUP AMERICAS, INC.

A handwritten signature in black ink, appearing to read "P. Raymond", written over the printed name.

Patrick Raymond
Director Aftersales

cc: Paolo Timoni, President

Safety Defect and Noncompliance Report Guide for Vehicles

PART 573 Defect and Noncompliance Report

On May 18, 2007 Piaggio Group Americas 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.

Date this report was prepared: May 23, 2007

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

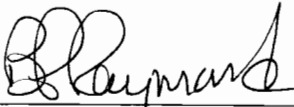
1. Identify the full corporate name of the fabricating manufacturer of the vehicle being recalled. If the recalled vehicle is imported, provide the name and mailing address of the designated agent as prescribed by 49 U.S.C. §30164: Piaggio S.p.A. Its designated agent is Piaggio Group Americas, Inc., 140 East 45th Street, 17th floor, New York, NY 10017

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

Telephone Number: Fax No.: 212-380 4400; Fax 212-380-4459

Name and Title of Person who prepared this report. Patrick Raymond, Director Aftersales

Date: May 24, 2007

Signed: 
Patrick Raymond
Director of Aftersales

1. Identify the Vehicle Models Involved in the Recall: Moto Guzzi Griso, model years, 2006 and 2007;

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): Model Years Involved: Model(s): See Above;

Production Dates: Beginning: TBD. Ending: TBD;

VIN Range: Beginning: TBD; Ending: TBD;

Vehicle Type: Motorcycle;

Descriptive information which characterizes/distinguishes the recalled vehicles from those model vehicles not included in the recall: See above model years;

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: the service campaign includes: Undetermined.

II. Identify the Recall Population

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

Number of Vehicles; 232 vehicles affected;

Model Year Potentially Involved: 2006, 2007.

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

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: All 2006 and 2007 models.

III. Describe the Defect or Noncompliance

Part 573 Defect Report (Griso 2006 and 2007)

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

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

Piaggio learned that one of the short hoses that connect the components of the fuel pump is potentially affected by the chemical composition of certain fuel used in various markets. In certain instances, the hose in question may swell and change dimensions, thereby loosening its fit around the fitting at the fuel pump. In the event the hose becomes loosened, in certain rare instances, fuel pressure may drop. This may cause erratic motor operation, difficulty in starting the vehicle or stalling.

Despite this finding, the company confirmed that no customer has ever been injured in conjunction with any incident involving the fuel hose under the aforementioned condition, nor has any other customer reported any accident or damage resulting from this issue.

Identify any warning which can (a) precede or (b) occur: Stalling or difficulty starting the engine;

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

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

IV. Provide the Chronology in Determining the Defect/Noncompliance

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. Piaggio Group Americas is in the process of compiling information responsive to this inquiry. At this juncture, Piaggio is informed and believes that no injuries, accidents, fatalities have arisen from the condition described herein. However, Piaggio Group Americas is informed and believes that through submitted warranty claims, Piaggio S.p.A became aware of the condition and after confirmation of the need for a service campaign, so notified Piaggio Group Americas.

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: TBD.

V. Identify the Remedy

Part 573 Defect Report (Griso 2006 and 2007)

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. Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly: The fuel hose in question is part of the fuel pump assembly. Piaggio Group Americas, through the authorized Moto Guzzi dealer network, will replace all fuel pump assemblies. The replacement fuel pump assembly uses a new hose that is unaffected by the chemical composition of certain gasolines.

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. See response to number 8. Additionally, all existing parts that possess the campaign condition shall be replaced with the corrected part(s).

VI. Identify the Recall Schedule

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: TBD. However, Piaggio is in the process of obtaining parts necessary to conduct the service campaign.

VII. Furnish Recall Communications

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

Response: To be provided.