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DEFECTS INVESTIGATION
RECALL MGMT DIV.



07V-311
(2 pages)

July 13, 2007

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. As explained below, the campaign will be conducted and administered by Cummins Inc. (“Cummins”), the manufacturer of the engines in the affected motorhomes. Specific information is as follows:

573.5(c)(2)

The affected vehicles include the following Class A Motorhomes:

Monaco: 2006-2007 Camelot (144), 2006-2007 Diplomat (278), 2006-2007 Dynasty (162) and 2006 Windsor (7)

Holiday Rambler: 2006-2007 Endeavor (102), 2006-2007 Scepter (68) and 2006-2007 Imperial (51)

Beaver: 2007 Contessa (3)

The affected motorhomes were manufactured from November 21, 2005 through August 9, 2006.

573.5(c)(3)

A total of **eight hundred and fifteen** (815) Class A motorhomes are in the total recall population. Of this total, **seven hundred and forty-seven** (747) are in the recall population for the United States and **sixty-eight** (68) were exported.

573.5(c)(4)

According to Cummins, approximately three and eight tenths percent (3.8%) of the vehicles in the recall population could experience a connecting rod failure. However, Cummins will be campaigning one hundred percent (100%) of the recall population.

The recall population was determined from engine records supplied by Cummins with a total of **eight hundred and fifteen** (815) engines of which **seven hundred and forty-seven** (747) are within the US NHTSA recall campaign. The total population was compiled from the manufacturing records for the Company's manufacturing facilities in Wakarusa, Indiana and Coburg, Oregon which produced the affected vehicles.

573.5(c)(5)

Monaco received an email on July 2, 2007 from Steven Butler, Director of Product Safety, at Cummins notifying us that Cummins had made a safety defect determination with respect to ISL CM850 diesel engines produced for recreational vehicle applications with engine serial numbers ranging from 46543077 to 46603939. Cummins produced these engines during the period of October 17, 2005 through April 18, 2006. The defect involves the connecting rod which contains a machining defect in the wrist pin bushing of the rod that could cause a seizure of the piston pin. If allowed to progress, engine failure could result with the possibility of the rod rupturing the block cavity, leading to oil and debris being emitted on the roadway and potentially a vehicle crash.

573.5(c)(6)

Monaco received an inquiry in April 2007 from Cummins requesting information on vehicles with specific engine serial numbers for research of an engine enhancement and subsequently received an email on July 2, 2007 from Steven Butler, Director of Product Safety, at Cummins notifying us of a safety defect determination and decision to conduct a safety recall campaign on the above reference engines with a copy of Cummins' 573 defect information report to the agency included. Monaco created a scope of potential units from the engine serial numbers provided by Cummins. The Company is currently not aware of any casualties or losses related to this issue.

573.5(c)(8)

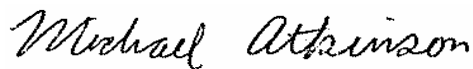
Cummins states that Cummins authorized dealers will recalibrate the engine control module. Additionally, Cummins will enhance the Engine Protection System enabling it to provide early detection of the failure mode and avoid more serious engine damage and resultant safety hazard. This will involve installation of a new valve cover with a crankcase pressure sensor. Prior to failure, the new crankcase pressure sensor will provide a signal to the dash with a red light. A red lamp gives an indication to the driver to stop the engine as soon as it can safely be done. The recall is expected to begin during July 2007. A Cummins dealer will conduct this service procedure at no charge to the customer.

It is our understanding that Cummins has forwarded to NHTSA its 577 owner letter and recall notice. Cummins will be conducting this recall and reporting quarterly to NHTSA. Monaco Coach Corporation will be supplying Cummins with an updated owner and address list of information.

Please acknowledge receipt of this defect information report and provide the recall number that will be assigned by NHTSA to this campaign.

Thank you for your assistance.

Sincerely,



Michael Atkinson
Recall Administrator
Monaco Coach Corporation