

TOYOTA MOTOR NORTH AMERICA, INC.

WASHINGTON OFFICE

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November 28, 2007

07V-545 (4 pages)

Mr. Daniel C. Smith Associate Administrator for Enforcement National Highway Traffic Safety Administration 1200 New Jersey Avenue, SE Washington, DC 20590

Re: 2006 Lexus IS and GS Fuel Line

Part 573, Defect Information Report

Dear Mr. Smith:

In accordance with the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 and 49 CFR Part 573, on behalf of Toyota Motor Corporation ["TMC"], we hereby submit the attached Defect Information Report concerning a voluntary safety recall of certain Lexus IS and GS vehicles to address an issue with the fuel lines.

Should you have any questions about this report, please contact Mr. Chris Santucci at (202) 775-1707.

Sincerely,

TOYOTA MOTOR NORTH AMERICA, INC.

Chris Tinto

Vice President

Technical & Regulatory Affairs

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DEFECTS INVESTIGATION RECALL MGMT DIV.

DEFECT INFORMATION REPORT

1. <u>Vehicle Manufacturer Name:</u>

Toyota Motor Corporation ["TMC"] 1, Toyota-cho, Toyota-city, Aichi-ken, 471-8571, Japan

Affiliated U.S. Sales Company

Toyota Motor Sales, USA, Inc. ["TMS"]
19001 South Western Avenue, Torrance, CA 90509

2. <u>Identification of Affected Vehicles</u>:

Based on production records, we have determined the affected vehicle population as in the table below.

Make/	Model	Manufac-	VIN		Production
Car Line	Year	turer	VDS	VIS	Period
Lexus/ IS	2006	ТМС	BK262	62000010-62005190 65000018-65007877	August 23, 2005 through December 21, 2005
			CK262	62000003-62001160 65000013-65003623	
			BE262	62000000-62000995 65000018-65002695	
Lexus/ GS	2006	TMC	BH96S	65000013-65026845	December 20, 2004
			CH96S	60001014-60013936	through October 31, 2005

Note: Although the involved vehicles are within the above VIN range, not all vehicles in this range were sold in the U.S.

3. <u>Total Number of Vehicles Potentially Affected:</u>

34,343

4. <u>Percentage of Vehicles Estimated to Actually Experience Malfunction:</u>

Unknown

5. Description of Problem:

In a section of the fuel lines located in the engine compartment of the subject vehicles, due to the orientation of the fuel line's seam weld during a bending operation in fabrication, there is a possibility that stress at the seam weld location may become high, causing a small crack to develop as a result of the action of small amounts of corrosive ingredients in the fuel. If the vehicle is continuously operated in this condition, the crack on the fuel lines may expand as a result of fuel pressure fluctuation and, in the worst case, fuel could leak from the fuel lines.

6. <u>Chronology of Principal Events:</u>

March 2005 - September 2005

Toyota received some field information from the Japan market which indicated the smell of fuel in a vehicle. Toyota immediately began an investigation and recovered a fuel line in which a leak was found by a dealer, in order to identify the cause of the problem. As a result, it was found that there was a crack with small amounts of corrosive ingredients at the seam weld location. However, these ingredients were not found in the fuel, leading Toyota to assume that this stress corrosion crack might have developed due to the use of an inferior fuel or a fuel additive. In order to prevent any possibility of the stress corrosion cracking, the fuel line was changed to a seamless pipe in September 2005.

October 2005 – November 2007

Toyota continued its investigation, mainly on the fabrication process, since the vehicles which had experienced this problem were manufactured within a certain period. The result of the investigation on the manufacturing process showed that there was no process change or a possibility for the adhesion of corrosive ingredients during the manufacturing process. However, as a result, further investigation continued on the source of the corrosive ingredients, and it was found that these ingredients could be contained within the regular fuel. Toyota conducted a repetition test on the stress corrosion crack. As a result, it was discovered that there is a possibility that stress at the seam weld location may become high, causing a small crack to develop as a result of the action of small amounts of corrosive ingredients in the fuel. In addition, it was found that there is not a possibility for this kind crack to occur on the new seamless pipe.

End of November 2007

As a result of the investigation above, Toyota decided to conduct a voluntary safety recall of all vehicles with the subject fuel lines within the affected range.

This safety campaign will also be conducted in Japan, Canada, Australia, Europe, Taiwan and other countries.

7. <u>Description of Corrective Repair Action:</u>

All known owners of the subject vehicles will be notified by first class mail to return their vehicles to any Lexus dealer for a replacement of the fuel lines.

Reimbursement Plan for pre-notification remedies

As the owner notification letters will be mailed out well within the active period of the Lexus New Vehicle Limited Warranty ("Warranty"), all involved vehicle owners for this recall would have been provided a repair at no cost under the Lexus's Warranty.

8. Recall Schedule:

Mailing of the owner notifications will commence in early December and be completed in late December 2007.

Copies of the owner notification and dealer instructions will be submitted as soon as they are available.

9. <u>Distributor/Dealer Notification Schedule:</u>

Notifications to distributors/dealers will be sent in the end of November 2007.