



December 19, 2007

Mr. Daniel C. Smith  
Associate Administrator for Enforcement  
National Highway Traffic Safety Administration  
Recall Management Division (NVS-215)  
1200 New Jersey Avenue, SE – Room W45-306  
Washington, D.C. 20590

07V-589  
(3 pages)

Dear Mr. Smith:

The following information is submitted pursuant to the requirements of 49 CFR 573.6 as it applies to a determination by General Motors of a safety defect involving certain 2005-07 model year Cadillac CTS, CTS-V, SRX, STS, STS-V; 2006-07 model year Pontiac Solstice and 2007 model year Saturn Sky vehicles.

573.6(c)(1): Cadillac, Pontiac and Saturn Brands of General Motors Corporation

573.6(c)(2)(3)(4): This information is shown on the attached sheet.

573.6(c)(5): General Motors has decided that a defect, which relates to motor vehicle safety, exists in certain 2005-07 model year Cadillac CTS, CTS-V, SRX, STS, STS-V; 2006-07 model year Pontiac Solstice and 2007 model year Saturn Sky vehicles. The rear axle pinion seal does not meet all of GM's specifications and may experience a fluid leak. On STS and SRX vehicles with all wheel drive, the front axle pinion seal does not meet all of GM's specifications and may experience a fluid leak.

573.6(c)(6): From March to November 2007, GM investigated the rate of warranty repairs for pinion seal leaks and their cause.

A Red X study was completed on May 15, 2007 that confirmed the seal supplier made an unauthorized change to the pinion seal material.

In August 2007, NHTSA opened a preliminary evaluation to investigate allegations of rear differential failure that may cause loss of motive power and possibly loss of control in 2003-2006 model year Cadillac CTS, CTS-V and STS vehicles.

On September 14, 2007, GM submitted a response to NHTSA that explained that GM is continuing its investigation to better understand the condition of rear differentials that have been reported to have locked up.

On November 30, 2007, a review of repair order verbatims where the customer complaint code was "locked up" was completed. A sample of customers was called to get additional information about what the customers experienced.

The issue was presented to the Field Performance Evaluation Review Committee and on December 17, 2007, the Executive Field Action Decision Committee decided to conduct a safety recall.

573.6(c)(8): Dealers are to replace the pinion seal(s).

Pursuant to 577.11(e), GM will provide reimbursement to owners for repairs completed on or before ten days after the owner mailing is completed, according to the plan submitted on January 8, 2007.

**Product Investigations**

Mail Code: 480-210-G11 • 30001 Van Dyke • Warren, MI 48090-9020  
573 Letter N070204

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573.6(c)(9): GM will provide copies of the dealer bulletin and owner letter when available. GM anticipates releasing the dealer bulletin and mail owner letters in February 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "GPK", written over a light blue horizontal line.

Gay P. Kent  
Director  
Product Investigations

N070204  
Attachment

573.6(c)(2),(3),(4)

VEHICLES POTENTIALLY AFFECTED BY MAKE, MODEL, AND MODEL YEAR  
PLUS INCLUSIVE DATES OF MANUFACTURE

<u>MAKE</u>	<u>MODEL SERIES</u>	<u>MODEL YEAR</u>	<u>NUMBER INVOLVED</u>	<u>INCLUSIVE MANUFACTURING DATES (FROM) (TO)</u>		<u>DESCRIPTIVE INFO. TO PROPERLY IDENT. VEH.</u>	<u>EST. NO. W/CONDITION</u>
Cadillac	D Car	2005	12,103	03/05	06/05	CTS	*
	D Car	2006	55,066	03/05	08/06	CTS	"
	D Car	2007	53,360	12/05	06/07	CTS	"
Cadillac	E Truck	2005	4,892	03/05	06/05	SRX	"
	E Truck	2006	24,438	03/05	08/06	SRX	"
	E Truck	2007	16,231	12/05	06/07	SRX	"
Cadillac	D Car	2005	6,120	03/05	06/05	STS	"
	D Car	2006	31,372	03/05	08/06	STS	"
	D Car	2007	16,747	12/05	06/07	STS	"
Pontiac	M Car	2006	18,748	03/05	08/06	Solstice	"
	M Car	2007	21,310	12/05	06/07	Solstice	"
Saturn	M Car	2007	15,549	12/05	06/07	Sky	"
GM Total:			275,936				

\* All involved vehicles will be inspected and corrected as necessary.

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