



U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

1200 New Jersey Avenue SE
Washington, DC 20590

September 24, 2008

MR. BROCC TENHOUTEN
VICE PRESIDENT, ENGINEERING AND
PROJECT MANAGEMENT
MILES ELECTRIC VEHICLES
3100 AIRPORT AVENUE, SUITE A
SANTA MONICA, CA 90405

NVS-215paw
08V-479

SUBJECT: BRAKE SYSTEM

DEAR MR. TENHOUTEN:

This letter serves to acknowledge Miles Electric Vehicles' notification to the National Highway Traffic Safety Administration (NHTSA) of a safety defect in the products described below for which a safety recall campaign shall be conducted pursuant to 49 U.S.C. § 30119.

Please review the following information to ensure that it conforms to your records as this information is being made available to the public. If the information does not agree with your records, please contact us immediately to discuss your concerns.

Makes/Models/Model Years:

MILES/XS40ST/2008

NHTSA Campaign Number: 08V-479

Mfg's Report Date: September 11, 2008

Components: SERVICE BRAKES: HYDRAULIC

Potential Number of Units Affected: 104

Summary:

MILES ELECTRIC VEHICLES (MEV) IS RECALLING 104 MY 2008 XS40ST LOW SPEED TRUCKS. MANUFACTURING AND ASSEMBLY INCONSISTENCIES WITH THE BRAKE TEE AND ASSEMBLY UNDER-TORQUING OR OVER-TORQUING OF THE BLEEDER SCREWS HAVE PRODUCED INSTANCES OF VISIBLE BRAKE FLUID SEEPAGE AT THE BRAKE TEE AND AT THE BLEEDER SCREWS.

Consequence:

THE DRIVER MAY EXPERIENCE REDUCED BRAKE PERFORMANCE WHEN APPLYING AND MAINTAINING FORCE ON THE BRAKE PEDAL AND, OVER TIME, THE CAPACITY TO BRAKE WILL GRADUALLY DETERIORATE, FORCING THE DRIVER TO USE HIGHER THAN EXPECTED FORCES. CONTINUED LOSS OF BRAKE FLUID ABOVE CERTAIN AMOUNTS WOULD LEAD TO THE BRAKE BEING INOPERATIVE, INCREASING THE RISK OF A CRASH.

Remedy:

DEALERS WILL INSPECT THE BRAKE SYSTEM AND REPLACE THE BRAKE TEES. WHEEL CALIPERS OR WHEEL CYLINDERS WILL BE REPLACED, IF NECESSARY. THE MANUFACTURER HAS NOT YET PROVIDED AN OWNER NOTIFICATION SCHEDULE FOR THIS CAMPAIGN. OWNERS MAY CONTACT MEV AT 1-310-390-4890.

Notes:

CUSTOMERS MAY ALSO CONTACT THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION'S VEHICLE SAFETY HOTLINE AT 1-888-327-4236 (TTY 1-800-424-9153), OR GO TO [HTTP://WWW.SAFERCAR.GOV](http://www.safercar.gov).

The information in your defect report appears to satisfy the requirements of 49 CFR 573.6 except for the following items:

You are required to submit a draft owner notification letter to this office no less than five days prior to mailing it to the customers. Enclosed is a sample owner notification letter for your use in providing the agency with this information.

You are required to provide an estimated date including month, day, and year, when you will send notifications to owners, dealers, and distributors as soon as it becomes available.

Copies of all notices, bulletins, dealer notifications, and other communications that relate to this recall, including a copy of the final owner notification letter and any subsequent owner follow-up notification letter(s), are required to be submitted to this office no later than 5 days after they are originally sent (if they are sent to more than one manufacturer, distributor, dealer, or purchaser/owner).

As stated in Part 573.7, submission of the first of six consecutive quarterly status reports is required within one month after the close of the calendar quarter in which notification to purchasers occurs. Therefore, the first quarterly report will be due on or before 30 days after the close of the calendar quarter. Enclosed is a copy of the quarterly report form for your use in providing this information.

Your contacts for this recall will be Pat Wallace or Delia Lopez, who may be reached by phone at 202-366-5232 or 202-366-9525 or by email at Patricia.wallace@dot.gov, Delia.lopez@dot.gov, or through the office email at RMD.ODI@dot.gov. We look forward to working with you for successful completion of this recall campaign.

Sincerely,

A handwritten signature in cursive script that reads "Patricia Wallace for".

George H. Person
Chief, Recall Management Division
Office of Defects Investigation
Enforcement

Enclosures:
Sample Owner Notification Letter
Quarterly Report Form

MFR LETTERHEAD

Dear Customer:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

MFR has decided that a defect which relates to motor vehicle safety exists in certain [list the years, makes and models]. **[Give a clear description of the problem along with an evaluation of the risk to motor vehicle safety. When a vehicle crash is a potential occurrence, the evaluation should include whichever of the following is appropriate: (1) a statement that the defect can cause vehicle crash without prior warning; or (2) a description of whatever prior warning may occur, and a statement that if this warning is not heeded, a vehicle crash can occur. If a vehicle crash is not the potential occur, the evaluation must include a statement indicating the general type of injury to occupants of the vehicle, or to persons outside the vehicle, that can result from this problem, and a description of whatever prior warning could occur.]**

We believe that you currently have or have previously owned one of these units. For this reason we ask that you arrange for your dealer to correct your vehicle without delay. The service and required parts will be provided free of charge.

To correct this condition, your dealer will **[briefly describe the recall remedy to your customer]**.

The work will take about [xx] hours to complete. However, additional time may be required depending on how dealer appointments are scheduled and processed. To obtain this free service, contact our service department at your earliest convenience at [phone number] for inspection and correction. If you no longer own this vehicle, please inform us of this when you call.

Federal regulations require that any vehicle lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days.

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

We regret any inconvenience that this action may cause you. However, we are concerned about your safety. If your dealer fails or is unable to remedy this defect without charge and within a reasonable time, you may submit a written complaint to the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Avenue, SE, Washington, DC 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>.

Thank you for your patience and support in helping us to keep you safe.

Sincerely Yours,
MFR

Vehicle Safety Recall Quarterly Report Information¹

Required per 49 CFR Part 573.7

Report Date: _____ Calendar Quarter: _____

Safety Recall Quarterly Report from _____ through _____

Manufacturer: _____

Report Author: _____ Phone: (____) _____

Recall Subject: _____

1. NHTSA Safety Recall Campaign Number: _____

Also, for completeness, if your company has assigned a code number to this campaign, please provide your code: _____

2. (a) The date notification to purchasers began: _____

(b) The date notification of purchasers was completed: _____

3. The Total Number of Vehicles Involved: _____

The total number of vehicles involved in the subject campaign (including all items sold or distributed to purchasers, dealers, distributors, and similar entities beyond the immediate control of the manufacturer/importer).

4. (a) Total Number Inspected & Remedied: _____

Total number of vehicles which were inspected and/or otherwise repaired or remedied.

(b) Total Number Inspected & NOT REQUIRING REMEDY: _____

Total number of vehicles involved in the recall and inspected, but determined to NOT REQUIRE REMEDIAL or recall repair work.

5. Vehicles Determined to be Unreachable

Total Number Exported: _____

Total Number Stolen: _____

Total Number Scrapped: _____

Total Number Unable to Notify: _____

Total Number Otherwise Unreachable: _____

Describe Other: _____

¹Any Questions please contact Mrs. Kelly Schuler or Mr. George Person at (202) 366-5227 or by fax to (202) 366-7882. or e-mail to RMD.ODI@dot.gov.