Sent via facsimile transmission (7 pages in total): 202-366-1767

October 16, 2008

National Highway Traffic Safety Administration 400 Seventh Strett, SW Washington, DC 20590

Attention: Associate Administrator for Enforcement

RE: Notice Pursuant to 49 CFR Sec. 573.5

SKF USA Inc. ("SKF") has determined that a defect which relates to motor vehicle safety exists in an item of motor vehicle equipment manufactured by SKF at its Glasgow, KY plant. The item of equipment that is of concern is a hub unit that is more particularly described below.

As of the date of this notice, to SKF's knowledge no injuries or fatalities have occurred as a consequence of the defect.

I. Description of Vehicle Equipment Containing the Defect

The item of equipment that contains the safety related defect is identified by SKF as its part number BR930361 (the "Hub Unit"). The applications for the Hub Unit are: The front axles of the Dodge Durango, model years 1999-2003, equipped with 2-wheel drive, rear wheel ABS; and the Dodge Dakota, model years 1997-2004, also equipped with 2-wheel drive, rear wheel ABS. The Hub Unit was a new product in that it was not manufactured by SKF prior to its initial production by SKF at its Glasgow, Kentucky plant. Production of the Hub Unit commenced in April, 2008. SKF did not supply the Hub Unit to any vehicle or other manufacturer, but sold the Hub Unit as a service part into the vehicle service market starting in June, 2008.

II. Description of Defect

The defect resulted from an error in a specification for the length of the rotor pilot for the Hub Unit. The error was contained in a manufacturing product drawing provided to SKF's Glasgow, Kentucky plant to manufacture the Hub Units. The specification indicated in the drawing was too long. The dimension specified was 11.25 mm. The correct dimension is 7.6 mm. This results in the wheel not seating fully against the hub

flange face during mounting. The error in specifying the length of the rotor pilot resulted in excess material remaining on the rotor pilot which prevents the wheel from fully seating against the hub flange face. Exhibit II attached to this notice indicates the location of the defect.

The defect is believed to result in excessive vibration, which likely is communicated through the steering system of the vehicle, and to also cause excessive noise prior to failure. However, SKF's investigation is not complete, and it is not certain if wheel-end separation would always be preceded by the symptoms of excessive vibration and noise. The mode of failure consists of improper mating of the wheel to the hub flange face, which can lead to brake rotor noise, excessive vibration, difficulty removing the wheel after installation and operation of the vehicle, and wheel-end separation during vehicle operation. As of the date of this notice, SKF has only one report from the field of a wheel-end separation.

#### III. Identity of Recall Population

The Hub Units manufactured by SKF were produced exclusively at its Glasgow, KY plant which first began shipping the Hub Units to SKF's central warehouse on May 6, 2008. Inasmuch as the original manufacturing product drawing for the design of the Hub Unit was found to contain a defect, all or 100% of the Hub Units initially produced by SKF, a total of 4,312 pieces, contain the defect. This total number of Hub Units was manufactured by SKF up to and including August 18, 2008, the date on which SKF had ceased production of the Hub Units to meet an anticipated demand for the products according to SKF's near term sales forecast. No other Hub Units have been manufactured by SKF based on the erroneous manufacturing product drawing.

Of the 4,312 piece total, 1,320 unpackaged Hub Unit pieces have already been found in SKF's Glasgow plant and within its distribution warehousing operations. These were quarantined in bulk inventory. SKF has begun to rework these pieces at its Glasgow plant to eliminate the defect. Of the remaining 2,992 packaged pieces, 187 pieces have been quarantined, and 2,805 pieces were found to have been shipped by SKF to its service market distribution customers for subsequent resale as service replacement parts. The packages used in the distribution of the affected Hub Units containing the defect were marked with the following date codes: 155E, 161E, 170E, 171E, 185E, 213E, and 228E.

## IV. Chronology

The following is a chronology of events leading to SKF's determination of the safety related defect in the Hub Unit:

September 5, 2008: SKF receives a complaint from the field informing SKF that an installer had difficulty in being able to completely seat the Hub Unit onto the front axle of a 2002 Dodge Dakota.

September 17, 2008: SKF's preliminary investigation leads to discovery of an error in the manufacturing product drawing for the Hub Unit.

September 18, 2008: SKF notifies its plant and warehouses to put all Hub Units on quality hold, and to cease any further production activities based on the defective manufacturing product drawing for the Hub Unit design.

September 19, 2008: SKF initiates laboratory and road tests on samples of the affected Hub Unit.

September 24, 2008: The manufacturing product design drawing for the Hub Unit is corrected.

September 25, 2008: SKF North American Vehicle Service Market Business Unit convenes a staff meeting to review and discuss the results of laboratory and road tests of the Hub Unit.

October 7, 2008: SKF receives report of a wheel-end separation from the field occurring shortly after installation of the Hub Unit.

October 9, 2008: Because of the immediate concern raised by the field report received by SKF on October 7<sup>th</sup> regarding a wheel-end separation involving the Hub Unit, SKF issues a stop sale notice to its distribution customers to whom the Hub Units were sold in order to immediately prevent further sales of the affected Hub Units (see copy of communication attached to this notice as Exhibit IV).

October 9, 2008: A meeting is convened with SKF Automotive Division Car Business Unit management to review and discuss findings and recommendations of the SKF North American Vehicle Service Market Business Unit staff regarding the potential for the Hub Unit defect adversely affecting vehicle safety. The outcome of the meeting results in a decision to conduct a recall of the Hub Units affected with the defect.

#### V. Remedy

SKF proposes to replace, at its expense, all the Hub Units in the suspect population of parts manufactured at its Glasgow, Kentucky plant. SKF has 4,000 pieces of correctly finished Hub Units in stock at its Glasgow plant which can be used to support the recall. The specifics of the recall program to affect a remedy are yet to be determined by SKF.

## VI. Recall Schedule

The date for implementation of the recall campaign has not been finally determined by SKF.

### VII. Recall Communications

Drafts of SKF's intended notices to be provided to end-users and to publicize the recall campaign have not yet been finalized by SKF.

SKF intends to supplement this notice with another notice to be provided to NHTSA as soon as possible to provide the agency with necessary information concerning its plan to remedy the defect, the recall schedule, and its notices which it intends to issue to endusers and customers regarding the remedy and recall, which notices will not be issued by SKF without NHTSA's prior approval.

Kindly contact the undersigned for further information if needed.

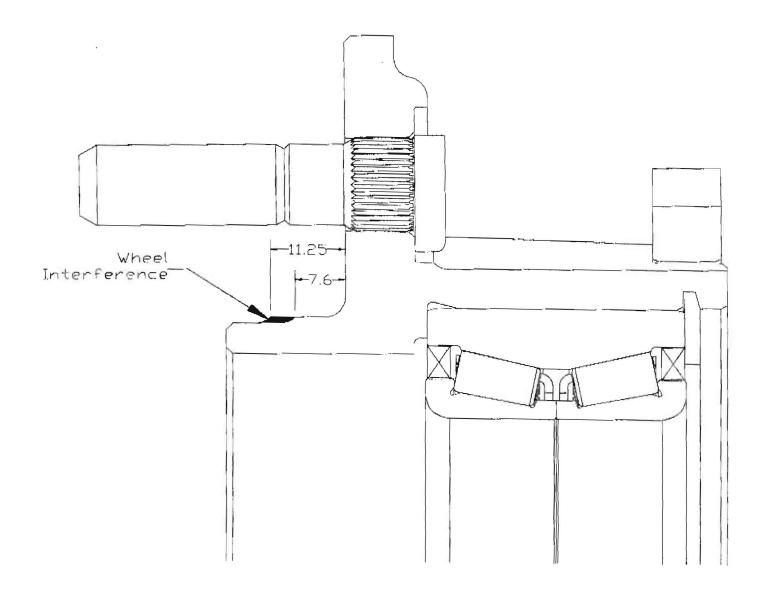
Sincerely yours,

SKF USA Inc.

inten W tef

Richard W. Frett Associate General Counsel

# EXHIBIT II



# EXHIBIT IV

(see attached page)

2