

January 9, 2008

VIA FAX (202)366-7882

Revision 2: Vehicle Model year corrected in section 3

Ms. Kathleen DeMeter
Chief, Office of Defects Investigation
National Highway Traffic Safety Administration (NSA-10)
1200 New-Jersey Avenue, S.E.
Washington D.C., 20590

RE: Part 573 and Noncompliance Information Report
Prevost Safety recall SR07-10: Defect on ZF transmission gear shifter pad

Dear Ms. DeMeter:

Prevost Car has determined that a defect which relates to motor vehicle safety exists in the item of a the motor vehicles listed below, and is furnishing notification to the National Highway Traffic Safety Administration in accordance with 49 CFR Part 573, "Defect and Noncompliance Information Reports".

1. The name of the Manufacturer is Prevost Car Inc.
2. The item of equipment subjected to this recall is supplied by:

ZF Friedrichshafen AG,
Alfred -Colsman-Platz 1
88038 Friedrichshafen Germany
Quality Manager- Service Division
Stefan Lier, QB
Tel: +49-7541-77-2776
Fax: +49-7541-77-90-2776

3. The item of equipment that contains the defect is the ZF Friedrichshafen Arens Astronic gear shifter pad. The inclusive dates of manufacture of the potentially affected valves are March 20, 2003 through October 25, 2007. Prevost Car has determined the range of vehicles that potentially has this problem. The range is as follow:

| Model | VIN |
|--|--|
| XLII-45 Coaches equipped with ZF-Astronic transmission Model Year: 2004 - 2006 | From 2PCX334904 <u>1028178</u> up to 2PCX334976 <u>1028861</u> incl. |
| X3-45 Coaches equipped with ZF-Astronic transmission Model Year: 2007 - 2008 | From 2PCG334947 <u>1028754</u> up to 2PCG334938 <u>C729341</u> incl. |
| H3-41, H3-45 Coaches equipped with ZF-Astronic transmission Model Year: 2004 - 2008 | From 2PCH334994 <u>1014705</u> up to 2PCH3349X8 <u>C711052</u> incl. |

4. The total number of vehicles recalled potentially containing the defect or non-compliance is approximately 600. The approximate percentage of the production of all the recalled models between the inclusive dates of manufacture provided above is 60%.

5. Symptoms

Certain ZF Friedrichshafen Arens Astronic gear shifters, P/Nos.0501 214 599 and 0501 212 979, installed as original equipment on certain transit buses. A cell phone or a Blackberry placed in the proximity of the Arens shifter touch pad could cause the display to change from "R" (reverse) to "2" (second gear) should the phone receive a call.

Causes

The cause is the cell phone interference because of a combination of several reasons:

- Shifter layout
- Susceptibility against radiation and cell phone frequency

Consequences

This will not cause improper transmission shifting or operation as the forward gear will be engaged from neutral only if the vehicle is stopped and the brake pedal is depressed. However, if the explained situation occurs while "R" (reversed) is selected, the Arens shifter has the potential to change to "D" but the vehicle would move forward only in case of 6 major preconditions:

- a. Cell phone placed in proximity of shifter pad
- b. Receiving a call
- c. Driver does not recognize the display information change from "R" to "2".
- d. Vehicle speed approx. below 1km/h.
- e. Driver is pressing the gas pedal
- f. Driver fails to realize the wrong vehicle impulse direction (drive mode in "D" instead of soft maneuvering mode in "R") and does not apply the vehicle brake.

6. We were informed of this recall by ZF Friedrichshafen for the first time on December 8, 2006. It was not clear at that time that we had to perform a safety recall. ZF Friedrichshafen came back to us with more details on the problem on May 24, 2007. Testing needed to be performed on a Prevost vehicle in order to validate a software correction on the ZF transmission. This software patch was also to correct the cell phone issue. Many testing on Prevost vehicles were schedule last summer. The last software testing was done in October 2007. By then, the software patch was prepared and also safety recall procedure was discussed. The list of affected vehicles was then prepared. Prevost Safety Recall (SRO7-10) will be written early in January 2008. December 14th, ZF has informed Prevost that the previously released software is on hold for several weeks and may change again. We should get a new software version in March 2008.

7. Prevost will initiate the recall immediately and there will be two phases. For the first phase, Prevost will ask his customers to glue the sticker near their Arens shifter touch pad. Stickers to be provided along with the safety recall documents. For the second phase but within the same notice, Prevost will inform his customers that they will be contacted by Prevost for a transmission software upgrade according to software and resources availability.

8. The following is the agenda for the notification to the Prevost customers:
December 8, 2006: Received information on this recall via ZF Friedrichshafen
Summer 2007 and October 2007: Software testing on Prevost vehicles
December 14, 2007: ZF informed that released software is on hold
January 7, 2008: Safety Recall documents are prepared.
January 21, 2008: Safety Recall to be mailed to customers.
March, 2008: Received New software from zf and start download campaign with customers

Please let us know the NHTSA notification campaign number assigned to this matter.

Best Regards and Merry Christmas!

A handwritten signature in black ink, appearing to read "Josyane Côté". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Josyane Côté, Eng.
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