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(10 pages)

DEFECTS INVESTIGATION RECALL MGMT DIV.

Safety Defect and Noncompliance Report Guide for Vehicles **PART 573 Defect and Noncompliance Report**⁽¹⁾

On February 22, 2008, Southeast Toyota Distributors, LLC decided that (a defect which relates to motor vehicle safety)(a noncompliance with Federal Motor Vehicle Safety Standard No. <u>N/A</u>) exits in 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 Reports.

Date this report was prepared: February 22, 2008

Furnish the manufacturer's identification code for this recall (if applicable): 08V-080

1. Identify the full corporate name of the fabricating manufacturer of the vehicle being recalled. If the recalled vehicle is imported, provide the name and <u>mailing address</u> of the designated agent as prescribed by 49 U.S.C. §30164.

Southeast Toyota Distributors, LLC ("SET") 100 Jim Moran Boulevard Deerfield Beach, Florida 33442

Identify the corporate official, by name and title, whom the agency should contact with respect to this recall.

L. Taylor Ward, III Vice President & General Counsel Southeast Toyota Distributors, LLC ("SET")

Telephone Number: 954-429-2242 **Fax No.:** 954-363-4101

Name and Title of Person who prepared this report.

Roger Blandford Manager Product Support

Telephone: (904) 378-4832 Fax: (904)419-5981

Signed:

I. Identify the Vehicle Models Involved in the Recall

2. Identify the Vehicles Involved in the Recall, for each make and model or applicable vehicle line (provide illustrations or photographs as necessary to describe the vehicle), provide:

Make(s): Toyota Model Yea	rs Involved: 2007 Mo	del(s): Tundra	ı
Production Dates: Beginning	g: Ending:		
VIN Range: Beginning:N	N/A	Ending:	N/A
Vehicle Type: Bodystyle: N/A	A		
Descriptive information which characterizes/distinguishes the recalled vehicles from those model vehicles not included in the recall:			
Make(s): Model Years Invo	lved: Model(s):		
Production Dates: Beginning	g: Ending:		
VIN Range: Beginning: I	N/A	_ Ending:	N/A
Vehicle Type: Bodystyle: N/A	A		
Descriptive information which characterizes/distinguishes the recalled vehicles from those model vehicles not included in the recall:			
Make(s): Model Years Invo	lved: Model(s):		
Production Dates: Beginning	g: Ending:		
VIN Range: Beginning:	N/A	_Ending: N	N/A
Vehicle Type: Bodystyle: N/A	A		
Descriptive information which characterizes/distinguishes the recalled vehicles from those model vehicles not included in the recall:			

• 2007 Toyota Tundra with Port installed 18" Enkei alloy wheels with option code of WN1 or WN4. The vehicles were processed at Southeast Toyota's processing centers in Jacksonville, FL and Commerce, GA from start of vehicle processing (Feb 1, 2007 through April 1, 2007).

• 2007 Toyota Tundras with Port installed 20" BBS alloy wheels with option code WV1 and WV4 processed at Southeast Toyota's processing centers in Jacksonville, FL and Commerce, GA from February 1, 2007 through June 8, 2007

Identify the approximate percentage of the production of all the recalled models manufactured by your company between the inclusive dates of manufacture provided above, that the recalled model population represents. For example, if the recall involved Widgets equipped with certain items of equipment from January 1, 1996 through April 1, 1997, then what was the percentage of the recalled Widgets of all Widgets manufactured during that time period.

Less than 1%

II. Identify the Recall Population

3. Furnish the total number of vehicles recalled potentially containing the defect or noncompliance.

Number of Vehicles 1716 Vehicles

Model Year Potentially Involved

Total Number Potentially Affected	by the
Recall:	1716

4. Furnish the approximate percentage of the total number of vehicles estimated to actually contain the defect or noncompliance: less than 1%

Identify and describe how the recall population was determined--in particular how the recalled models were selected and the basis for the beginning and final dates of manufacture of the recalled vehicles:

The vehicle recall affects

- Port installed 18" Enkei alloy wheels on 2007 Toyota Tundra model vehicles with option code of WN1 or WN4. The vehicles were processed at Southeast Toyota's processing centers in Jacksonville, FL and Commerce, GA from start of vehicle processing (Feb 1, 2007 through April 1, 2007). The final date was determined by a change in manufacturer of wheel nuts. Replacement wheel nuts were first installed on March 17, 2007, however, April 1, 2007 was selected to insure the entire population was captured.
- 2. Port installed 20" BBS alloy wheels on 2007 Toyota Tundra model vehicles with option codes of WV1, WV4, XM1, XM2, XM3, XM4, XM8 and XM9. The vehicles were processed at Southeast Toyota's processing centers from start of processing (Feb 1, 2007 through June 8, 2007). The final date was determined by the date the replacement wheel nuts were put into production.

III. Describe the Defect or Noncompliance

5. Describe the defect or noncompliance. The description should address the nature and physical location of the defect or noncompliance. Illustrations should be provided as appropriate.

When the vehicle was processed at Southeast Toyota's processing centers in Jacksonville, FL and Commerce, GA an alloy tire/wheel upgrade was installed. The upgrade included 4 alloy wheels with attaching wheel nuts. It was determined that the wheel nuts may crack and break if the wheels are not installed carefully or if the wheel nuts are not carefully torqued. This condition can happen at time of wheel installation, tire rotation or service. In the worst case, a crash could happen if a vehicle's wheel nuts are cracked or broken and the wheel becomes loose and falls off the vehicle.

Describe the cause(s) of the defect or noncompliance condition.

The wheel nuts can be overtorqued and break

Describe the consequence(s) of the defect or noncompliance condition.

A crash could happen if a vehicle's wheel has a cracked or broken wheel nut and the wheel becomes loose and falls off the vehicle.

Identify any warning which can (a) precede or (b) occur.

The vehicle steering could become erratic and unstable. A growling noise could be heard from the wheel well area.

If the defect or noncompliance is in a component or assembly purchased from a supplier, identify the supplier by corporate name and address.

Component assembly was purchased from:

BBS of America, Inc	Enkei Wheels	
Attn: John Slagle	c/o JTI	
5320 BBS Drive	Attn: Jonathon Liby	
Braselton, Ga 30517	4720 Salisbury Rd.	
(770)967-9574	Jacksonville, Fl. 32256	
	(904)493-6068	

Both wheel suppliers listed above purchased the same wheel nuts from Bimecc-USA The original component manufacturer is:

Bimecc Engineering, S.p.A.
Via A. Volta, 18/20/26/28
35030 Veggiano-Z.I., PD
Italy
Phone: 390499048325
Fax: 390499001738
Email Fbada@bimecc.it

US office: Bimecc USA 14455 Ramona Avenue, Unit A Chino, Ca. 91710 Phone: 909-614-1822 Fax: 909-614-1343

Identify the name and title of the chief executive officer or knowledgeable representative of the supplier:

Mr. Luca Carraro Bimecc-USA (909)614-1822 FAX (909)614-1343 Email: luca@bimecc-usa.com

IV. Provide the Chronology in Determining the Defect/Noncompliance

If the recall is for a defect, complete item 6, otherwise item 7.

6. With respect to a defect, furnish a chronological summary (including dates) of all the principle events that were the basis for the determination of the defect. The summary should include, but not be limited to, the number of reports, accidents, injuries, fatalities, and warranty claims.

There have been no accidents, injuries or fatalities to date due to a crack or break of the wheel nut. The failure has proven to be caused by:

- improper installation of the wheel on the vehicle (not seating the wheel against the hub before tightening the wheel); or
- over torqueing of the wheel nuts (not using a torque wrench or installing with an impact wrench).

Date 02/1/07	Subject Start of processing of 2007 Tundra's with Enkei and BBS wheels.
02/8/07	Report of service technician breaking three wheel nuts in field due to improper installation.
02/9/07 02/9/07 02/23/07 02/26/07	Report of 3 wheel nuts breaking in production due to rushed installation. SET Quality Assurance submits report on wheel nuts. SET stops process of wheel installation program pending review. SET Service Department and SET New Products Department perform testing of
	wheel nuts. Wheels were installed and destructive testing performed. Testing Results indicated:
	 If wheels and wheel nuts were properly installed and torqued, no failure occurred. If wheels were cocked on the hub and the wheel nuts were used to pull wheel tight to hub, a wheel nut failure could occur at a torque setting of
	 120 ft/lbs. (Torque setting for wheel is 97 ft/lbs torque per manufacturer's guidelines). Correction measure was to train the production associates and SET field staff, including Product Engineers and Field Technical Specialists, on
	 proper wheel installation procedures. Requested copy of report from Gulf States Toyota Inc. of report concerning wheel nuts that they had requested from Detroit Testing Labs.
	• Requested a more robust wheel nut from wheel manufacturers.
03/08/07	Received courtesy copy of Detroit Testing Laboratory, Inc. wheel nut testing report from Gulf States Toyota, Inc. Tests confirmed SET testing. Detroit Testing Laboratory, Inc. tests showed that if wheels were properly installed, no failure occurred.

03/8/07	Enkei proposed a change in wheel nuts and wheel nut suppliers. The new wheel
	nut shipment was scheduled to arrive on $3/15/07$.
03/17/07	SET began processing replacement wheel nuts on this date for Enkei wheels.
03/17/07	SET Parts Department notified to stop selling BBS wheel nuts to field. All
	Dealers ordering BBS wheel nuts were advised to contact SET Technical
	Assistance for Instructions. BBS wheel nut failures were repaired using the new
	Enkei wheel nut.
	BBS was unable to find a different wheel nut at this time.
04/17/07	SET Processing Center reports no further failures using the new wheel nuts.
05/10/07	SET received proposed print of revised wheel nut from Enkei.
06/1/07	BBS proposed a wheel nut change on or about June 1, 2007.
06/7/07	Replacement wheel nuts received from BBS. Break Point established as 6/8/07.
10/10/07	Received letter from Bishop Toyota stating wheel nut concern. SET Technical
	Center investigation found failed original wheel nut due to improper installation.
01/4/08	Received letter from Ft. Myers Toyota stating ongoing wheel nut concerns with
	old wheel nuts.
01/11/08	Requested warranty analysis of wheel nut campaign expense.
01/15/08	Met with SET management about wheel nut concern. I was advised to gather
	information and report.
01/16/08	Received warranty analysis of wheel nuts. Old wheel nut failures due to improper
	installation are indicating an increase.
01/16/08	Discussed wheel nut usage and possible break points with Enkei.
01/16/08	Discussed wheel nut usage and possible break points with SET Vehicle
	Processing Management. Determined the vehicles involved and break points.
01/16/08	Requested VIN and owner list of vehicles with old wheel nuts.
01/31/08	Furnished vehicle list to management - 1386 vehicles involved.
02/1/08	Began compiling campaign paper work.
02/06/08	Discussed wheel nut issue with Enkei. Was advised this was not a problem.
02/7/08	Discussed wheel nut issue with BBS and was referred to Mr. Luca Carrero at
	Bimecc- USA.
02/8/08	Discussed wheel nut issue with Mr. Carrero and sent information to him. Mr.
	Carrero requested time to review data.
02/12/08	Received reply from Mr. Carrero with information regarding number of wheel
	nuts sold to BBS.
02/13/08	Audited list of vehicles involved.
02/16/08	Sent results of audit of vehicle count to Mr. Carrero at Bimecc-USA.
02/17/08	Mr. Carrero replied with several questions.
02/18/08	Sent reply to Mr. Carrero answering his questions.
02/18/08	Conference call with SET management and decision was made to proceed with
	Part 573 recall procedure.
02/21/08	Submitted draft of customer letter to Ms. Pat Wallace at NHTSA.
02/21/08	Submitted part 573 draft to Ms. Wallace at NHTSA.
02/25/08	Received reply from Ms. Wallace, campaign no.08V-080 is assigned.
02/26/08	Spoke to Mr. Carrero via telephone regarding handling of parts and payment for
	costs.
02/26/08	Contacted Mr. John Slagle at BBS regarding obtaining parts and payments.
02/27/08	Contacted Jonathon McVety at JTI (BBS representative). Advised that SET is
	moving forward with the campaign and requested parts.
03/03/08	Received parts quote from John Slagle at BBS. Part no issued for BBBS
03/05/08	Received preliminary quote from Enkei – USA

03/06/08	Received revised price quote from Enkei.
03/07/08	Part number issued for Enkei wheel nut package
03/10/08	Requested updated customer list.
03/25/08	Received a proposed price quote from John Slagle, BBS
04/04/08	Received call from Kelly Schuler, NHTSA, advising of campaign no 08E-029
	Request change accident to crash.
04/07/08	Received preliminary list from Mike Dandes regarding 08E-029. VINS are
	included but customer names and addresses missing.
04/07/08	Advised the DOM'S and Parts reps the proper procedure to scrap wheel nuts in
	dealer stock.
04/08/08	Sent letter to BBS and Enkei requesting revised part pricing information.
04/09/08	Received pricing information from BBS.
04/09/08	Received pricing information from Enkei
04/09/08	Levita Byrkett released part no and issued PO to purchase parts
04/14/08	Date for Customer letter set for 04/18/08.

7. With respect to a noncompliance, identify and provide the test results or other data (in chronological order and including dates) on which the noncompliance was determined.

V. Identify the Remedy

8. Furnish a description of the manufacturer's remedy for the defect or noncompliance. Clearly describe the differences between the recall condition and the remedy.

A new wheel nut is the remedy. This wheel nut is more robust and has been tested under severe applications.

Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly.

The recalled component has a code stamped on the face of the wheel nut (see picture). The remedy component does not have this code.



Identify and describe how and when the recall condition was corrected in production. If the production remedy was identical to the recall remedy in the field, so state. If the product was discontinued, so state.

The wheel nuts were changed in production.

- The 18" Enkei wheel nuts were changed at Southeast Toyota processing centers on March 17, 2007 upon receipt of replacement wheel nuts.
- The 20" BBS wheel nuts were changed at Southeast Toyota processing centers on June 8, 2007 upon receipt of replacement wheel nuts.

Production remedy is the same as the recall remedy.

VI. Identify the Recall Schedule

Furnish a schedule or agenda (with specific dates) for notification to other manufacturers, dealers/retailers, and purchasers. Please, identify any foreseeable problems with implementing the recall.

Customer letter will be mailed April 18, 2008 Dealer letter to be mailed April 17, 2008

VII. Furnish Recall Communications

9. Furnish a final copy of all notices, bulletins, and other communications that relate directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, or purchaser. This includes all communications (including both original and follow-up) concerning this recall from the time your company determines the defect or noncompliance condition on, not just the initial notification. A DRAFT copy of the notification documents should be submitted to this office by Fax (202-366-7882) for review prior to mailing.

<u>Note</u> that these documents are to be submitted separately from those provided in accordance with Part 573.8 requirements.

1. ¹Each manufacturer must furnish a report, to the Associate Administrator for Safety Assurance, for each defect or noncompliance condition which relates to motor vehicle safety.

This guide was developed from 49 CFR Part 573, "Defect and Noncompliance Reports" and also outlines information currently requested. Any questions, please consult the complete Part 573 or contact Mr. Jon White at (202) 366-5227 or by FAX at (202) 366-7882.

The Privacy Act of 1974 - Public Law 93-579, As Amended: This information is requested pursuant to the authority vested in the National Highway Traffic Safety Act and subsequent amendments. You are under no obligation to respond to this questionnaire. Your response maybe used to assist the NHTSA in determining whether a manufacturer should take appropriate action to correct a safety defect. If the NHTSA proceeds with administration enforcement or litigation against a manufacturer, your response, or statistical summary thereof, may be used in support of the agency's action.