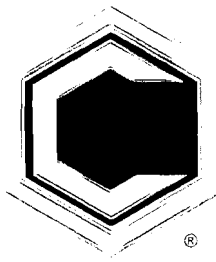


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CAPACITY

08V-112
(3 Pages)

February 22, 2008

VIA CERTIFIED MAIL #7006 0100 0005 2648 1798

Mr. Dan Smith, Associate Administrator for Enforcement
Office of Defects Investigation
National Highway Traffic Safety Administration (W46-421)
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

RE: Part 573 Defect and Noncompliance Information Report
Capacity P/N 136020 MV-3 Dash Control Valve

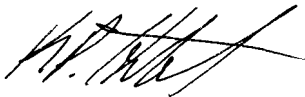
Dear Mr. Smith:

Capacity of Texas has been notified that a defect which relates to motor vehicle safety exists in the item of motor vehicle equipment described below, and is furnishing notification to the National Highway Traffic Safety Administration in accordance with 49 C.F.R. Part 573, "Defect and Noncompliance Information Reports."

1. The name of the manufacturer is **Capacity of Texas**.
2. The item of equipment containing the defect is the Capacity Yard Tractor equipped with Bendix MV-3 dash control valve Capacity P/N 136020. The inclusive dates of manufacture of the potentially affected valves are January 3, 2008 through January 22, 2008. The entire population of Capacity Yard Tractors equipped with MV-3 valves manufactured between these inclusive dates potentially contain the defect.
3. The total number of defective valve bodies Capacity received from its supplier was 71. Upon discovery of the issue, Capacity took actions to quarantine 40 valve bodies and potentially affected valves at Capacity facilities, and Capacity was able to recover an additional 24 MV-3 valves out of the 31 total number of units shipped to customers. Therefore, the remaining number of defective valves subject to this recall campaign is 7 units.
4. Attached here as Attachment A is a list of the names, addresses, and, where known, telephone numbers of each vehicle owner that purchased potentially affected Capacity Yard Tractors equipped with MV-3 valves in the United States.

5. Capacity has determined that a manufacturing defect exists from the vendor Bendix in certain MV-3 valve bodies. The supplier of the molded valve body used an incorrect core pin in the injection mold causing the valve body to be oversized in the double check valve seat area. The oversize condition can allow the rubber double check valve to become lodged in the body opening under certain circumstances. If the double check valve becomes lodged, in the event of a primary reservoir failure, air pressure can leak past the lodged double check valve thereby depleting the secondary reservoir, causing a reduced ability for modulating the emergency brakes. There have been no reports of any injuries related to this issue.
6. On January 22, 2008, the Bendix manufacturing plant detected the out-of-tolerance MV-3 valve bodies during testing and stopped production. Bendix immediately launched an investigation. The valve body supplier was contacted, and after further investigation, it was determined that the supplier replaced a core pin with an incorrectly sized core pin during a mold repair procedure. Valve bodies molded by the supplier between December 19, 2007 and January 21, 2008 with the incorrect core pin contain the improper double check valve seat area. Bendix determined that MV-3 valves manufactured between January 3, 2008 and January 22, 2008 are affected. As part of its investigation and containment process, Bendix contacted its OEM customer Capacity of Texas on February 1, 2008, to sort and segregate potentially affected MV-3 valves in the inventory. Bendix continued to conduct testing to determine the effect of the improperly sized double check valve seat. On February 7, 2008, Bendix decided that a defect that relates to motor vehicle safety exists with respect to the affected MV-3 valves.
7. Capacity will provide a remedy without charge for all affected MV-3 valves covered by this recall campaign.
8. Capacity intends to notify the vehicle owners immediately. Notification to Capacity distributors that remedy without charge will be available to owners is estimated to commence within 60 days. Once Capacity receives owner or aftermarket purchaser information from its distributors, and after NHTSA approval of its form of owner notification letter, Capacity will commence owner notification.
9. Capacity will reimburse any owner of a vehicle equipped with an affected MV-3 dash valve who incurred the cost of replacing the valve after January 3, 2008 specifically to address the defect identified in this Defect Report, unless the owner made or could have made a claim under warranty. Capacity will require adequate documentation that the owner actually owned the product and incurred the expense of replacing it to address the defect, consistent with the requirement to Section 573.13(d)(4) of NHTSA's regulations.

Please advise us of the NHTSA campaign number assigned to this matter. Thank you.



Kevin P. Hebert
Director of Product Support

Attachment A

Vehicle Owners Capacity P/N 136020 MV-3 Dash Control Valve

Customer	Address	Phone Number	VIN
			4LMBF71388L 4LMBF713X8L 4LMBF21118L 4LMBF21138L 4LMBF21158L
			4LMBF51198L
			4LMBF21108L