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OFFICE OF RECALL
MANAGEMENT DIVISION

SETRA
LUXURY COACHES

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May 9, 2008

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Washington, DC 20590
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RMD.ODI@dot.gov

Re: Part 573 – Defect Report

Dear Mr. Smith,

Pursuant to the requirements of 49 C.F.R. Part 573, Setra of North America, Inc. ("Setra"), as the importer of motor coaches manufactured by EvoBus GmbH, submits this report regarding a potential defect related to motor vehicle safety present in certain Setra S 217 HDH motor coaches.

Part 573.6(c)(1) – Manufacturer Name:

EvoBus GmbH, Ulm, Germany

Designated Agent:
Setra of North America, Inc.,
6012-B High Point Road
Greensboro, NC 27407

Part 573.6(c)(2) – Vehicles Potentially Containing the Defect

The affected vehicles are Model Year 1994 to 2002 Setra Model S 217 HDH motor coach buses, (36-58 passengers). These "affected vehicles" include those buses bearing the Serial #'s:

WKK138SC3R1045001-WKK138VC021045278
and specifically include all model S 217 HDH coaches produced from 1994 to 2002.

The basis for determination of the affected vehicle population is an analysis of the production records identifying all S 217HDH models EvoBus and having the identified components.

Part 573.6(c)(3) – Total Number of Vehicles Potentially Affected

At total of up to 265 motor coaches are potentially affected.

Part 573.6(c)(4) - Percentage of Affected Vehicles Estimated to Contain the Problem

100% of the subject vehicles may contain the problem described below.

Part 573.6(c)(5) – Description of the Defect

EvoBus has determined that in the vehicles described above that the wheel hub at the front axle could become damaged if certain service instructions are not followed.

EvoBus conducted extensive testing and inspections. The investigation showed that the breaks are so-called fatigue fractures that result from a high load on the vehicles. It was found that the improper service caused very slow progress of further damage until the complete break-out of segments of the wheel hub took place.

The break of the wheel hub leads to a changed driving performance of the vehicle, which becomes noticeable by vibrations in the steering system. The break progresses in a convex form (radially inwards), the flange separates from the wheel and then completely becomes loose from the vehicle.

If the original service instructions have not been followed causing damage and vehicle overloading has occurred and the vibrations in the steering system are not readily addressed, the wheel hub separated fracture could lead to loss of steering control.

Setra has decided to conduct a recall campaign by notifying affected customers of this issue and remedy the situation by changing the wheel hub with a reinforced wheel hub.

Neither EvoBus nor Setra have received reports of accidents, injuries or deaths caused by the alleged defect.

Part 573.6(c)(6) – Chronology of Events Leading to Discovery of the Issue

This problem was originally brought to EvoBus GmbH's attention by the Turkish subsidiary of EvoBus Germany, who reports on a wheel hub break at the front axle of two European vehicles, Model S 317 HDH series with about 901,000 miles (1,450,000 km), which is equipped with the same wheel hub as the S 217 HDH in the USA.

Part 573.6(c)(8)(i) – Remedy Program

Setra is conducting a voluntary recall campaign for the affected vehicles, which will be performed at no charge to vehicle owners. Parts will be made available free of charge and a set reimbursement labor time will be determined. As part of the recall plan, for all affected vehicles, Setra will send out details on how to change the wheel hubs with reinforced wheel hubs.

Part 573.6(c)(8)(ii) – Customer Notification

Direct contact with the affected customers will be undertaken by Setra in addition to written notification pursuant to Part 577. Specifically, Setra's Field Service Representatives in each region of the United States will contact customers to arrange the replacement of the wheel hubs. Setra expects that customer's notices will be initiated by June, 2008.

Part 573.6(c)(10) – Copies of Proposed Owner Notification Letter

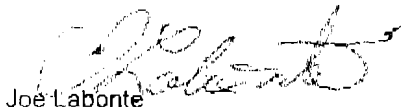
A copy of the customer letter will be provided.

Setra Contact:

Mr. Joe Labonte
Compliance and Safety Officer
350 Hazelhurst Road,
Mississauga, Ontario,
L5J 4T8
905-403-7807

Please do not hesitate to contact us if you have any questions regarding this matter. Thank you for your consideration.

Best regards,



Joe Labonte
Compliance and Safety Officer

cc Patricia Wallace, Safety Defects Analyst, NHTSA, Patricia.Wallace@nhtsa.dot.gov