

# TOYOTA

## TOYOTA MOTOR NORTH AMERICA, INC.

WASHINGTON OFFICE  
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April 24, 2009



Mr. Daniel C. Smith  
Associate Administrator for Enforcement  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: Toyota Optional Accessory Exhaust Tip  
Part 573, Defect Information Report

RECEIVED  
2009 APR 30 P 1:52  
OFFICE OF DEFECTS  
INVESTIGATION

Dear Mr. Smith:

In accordance with the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 and 49 CFR Part 573, on behalf of Toyota Motor Corporation ["TMC"], we hereby submit the attached Defect Information Report concerning a voluntary safety recall of certain optional accessory equipment (exhaust tips) for 2008 MY Toyota Highlander and Highlander Hybrid vehicles.

Should you have any questions about this report, please contact Mr. Chris Santucci at (202) 775-1707.

Sincerely,

TOYOTA MOTOR NORTH AMERICA, INC.

A handwritten signature in blue ink, appearing to read 'Chris Tinto', written over a horizontal line.

Chris Tinto  
Vice President  
Technical & Regulatory Affairs

CT:cs  
Attachment

## DEFECT INFORMATION REPORT

1. Component Controlling Corporation:

Toyota Motor Sales, USA, Inc. ["TMS"]  
19001 South Western Avenue,  
Torrance, CA 90509

Actual Component Manufacturer:

Valor Manufacturing  
5403 Harvester Road,  
Burlington, Ontario, L7L 5J7, Canada  
Telephone: 905-631-6800

2. Identification of Affected Equipment:

The items of equipment involved are the retention Clamps which are included with the Toyota Stainless Steel Exhaust Tip installed by Toyota port facilities and sold by Toyota dealers as an optional accessory for 2008 model year Toyota Highlander and Highlander HV vehicles.

Component Name	Part Number	Dates of Manufacture *
Toyota optional Stainless Steel Exhaust Tip (Retention Clamps)	PTS18-48080 PTS18-48081	May 25, 2007 through June 30, 2008

\* Period of the sales

3. Total Number of Equipment Potentially Affected:

Approx. 39,100 Exhaust Tips

4. Percentage of Equipment Estimated to Actually Contain the Defect:

Unknown

5. Description of Problem:

The subject Toyota Stainless Steel Exhaust Tip is specifically designed for the 2008 model year Toyota Highlander and Highlander HV vehicles. It is attached to the end of the tail pipe by one retaining band (Clamp) which is made of stainless steel. Due to improper heat treatment of the band during the production process, if the vehicle is continuously operated in a corrosive environment, especially in salt belt areas, there is a possibility that the band may develop a stress corrosion crack. Eventually, the crack may expand causing the band to break and, in the worst case, the Exhaust Tip could fall off while the vehicle is in motion.

6. Chronology of Principal Events:

End of April 2008 – April 2009

In April 2008, Toyota received field information indicating that the Clamp, which holds the optional Toyota Stainless Steel Exhaust Tip (“Exhaust Tip”) on the tail pipe, broke causing the Exhaust Tip to fall off. Toyota began an investigation and recovered a broken Clamp in order to identify the cause of the problem. As a result of the observation of the recovery part, it was found that the band portion of the Clamp had broken at the spot weld near the tightening bolt and they were sent to Japan for the investigation.

In the end of June 2008, although the cause and the mechanism of the problem were still under investigation, Toyota decided to stop selling and installing the Exhaust Tip while the investigation continued.

As a result of the investigation of the recovery part, it was found that the broken surface of the band showed a stress corrosion crack and the hardness of the band material was harder than the standard of the stainless steel material with heat treatment, leading Toyota to assume that the band was not heat treated properly during the production process.

Toyota investigated the production records of the retaining Clamp supplier and it was found that heat treatment was not conducted as specified. The Clamp may develop a stress corrosion crack due to a combination of improper heat treatment, structure stresses (from the tightening torque and retaining force) and certain operating conditions (i.e. road salts, corrosive environments).

Late April 2009

As a result of the investigation above, it was determined that if a stress corrosion crack develops and the band portion of the Clamp breaks-off completely, there is a possibility that the Toyota Stainless Steel Exhaust Tip could fall off while the vehicle is in motion. Therefore, Toyota decided to conduct a voluntary safety campaign to replace the Toyota Stainless Steel Exhaust Tip Clamp.

7. Description of Corrective Repair Action:

Owners of 2008 model year Toyota Highlander and Highlander HV vehicles identified as having a port installed Toyota Stainless Exhaust Tip or may have potentially purchased this specific component from their dealership will be notified by first class mail to return their vehicles to any Toyota dealer for a replacement of the Clamp with a newly designed one.

Reimbursement Plan for pre-notification remedies:

As the owner notification letters will be mailed out well within the active period of the Toyota New Vehicle Limited Warranty (“Warranty”), all involved vehicle owners for this recall would have been provided a repair at no cost under the Toyota’s Warranty.

8. Recall Schedule:

First mailing of the owner notification will commence in early May 2009 and will be completed in early June 2009.

Copies of the owner notification and dealer instructions will be submitted as soon as they are available.

9. Distributor/Dealer Notification Schedule:

Notifications to distributors/dealers will be sent in late April 2009.