



April 14, 2009

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

RE: Defect Information Report

Dear Mr. Smith:

Pursuant to Part 573 of Title 49 of the Code of Federal Regulations, Hyundai America Technical Center is submitting information concerning a recall that is being voluntarily initiated. Specific information as required by Section 573.6 is as follows:

2001 KIA 16 A-8834
11/11/09
11/11/09

573.6(c)(1)

Manufacturer – Hyundai Motor Company

Distributor – Hyundai Motor America

573.6(c)(2)

Model year 2001, 2002 and 2003 Hyundai Santa Fe vehicles produced beginning on March 31, 2000 through January 27, 2003 that are registered in and operated in the following 20 “salt belt” states and the District of Columbia:

Connecticut, Delaware, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, and Wisconsin, and the District of Columbia.

573.6(c)(3)

Approximately 22,110 model year 2001, approximately 39,167 model year 2002, and approximately 23,759 model year 2003 Hyundai Santa Fes.

Note: These figures are the quantities originally sold in the 20 affected states and the District of

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Columbia. The quantities of affected vehicles in operation in those states will be developed from state motor vehicle registration records prior to owner notification.

573.6(c)(4)

All of the vehicles identified above in 573.6(c)(2) are potentially affected.

573.6(c)(5)

During winter months, large quantities of salt are used to de-ice roads in the affected states, noted above in response to 573.6(c)(2). Road salt can collect in the rear portion of the rear trailing arm and may result in internal corrosion leading to thinning or perforation of the steel rear trailing arms. The corrosion is progressive and results in increasing changes in vehicle rear ride height, steering alignment and generates noises that serve as warnings to the operator that the vehicle requires service. If the warnings are undetected or unheeded, the corrosion can progress to the point where there is a loss of structural rigidity in the trailing arm which can lead to a fracture.

This condition may occur on 2001 through some 2003 model year Santa Fe vehicles produced through January 27, 2003 as a result of exposure to heavy concentrations of road salt for extended periods of time.

573.6(c)(6)

After evaluating the 2001 through January 27, 2003 production 2003 Santa Fe rear trailing arm corrosion condition and to conclude NHTSA's inquiry EA08-023, Hyundai has decided to conduct a recall campaign of all 2001 through January 27, 2003 production 2003 model year Hyundai Santa Fe vehicles that are registered and operated in the salt belt states noted above, in response to 573.6(c)(2).

573.6(c)(8)

All owners of record of affected vehicles will be contacted by first class mail and instructed to bring their vehicles to Hyundai dealers to have the rear trailing arms inspected for corrosion damage. Dealers will measure the thickness of the steel in the trailing arm to determine the extent of any corrosion damage that may have occurred. If specified levels of corrosion damage have occurred, the rear trailing arms will be replaced with new trailing arms that incorporate additional holes in the upper and lower panels. Rear trailing arms that do not require replacement will have drainage holes added and will be treated with rust-proofing material to arrest the corrosion process. Inspection, treatment and replacement procedures will be conducted at no cost to owners.

Hyundai will additionally inspect the vehicle for other visible areas of corrosion. In particular, dealers will be instructed to inspect the front subframe. As a precautionary measure, and to improve drainage in the subframe, dealers will add drainage holes and treat the front subframe with rust-proofing material. If specified levels of corrosion are found, dealers will be instructed to replace the front subframe. This

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additional inspection and treatment will be conducted at no cost to owners.

Hyundai anticipates that owners will be notified beginning during the second quarter of, 2009, after a sufficient quantity of replacement rear trailing arms have become available to allow notifications to begin.

In accordance with the requirements of Part 573.13, Hyundai will provide for reimbursement to vehicle owners eligible for pre-notification remedies as follows:

573.13(c)(1) Reimbursement Period Beginning Date:

- (iii) April 14, 2008, which is one year prior to the date of this Part 573 notice to NHTSA.

573.13(c)(2) Reimbursement Period Ending Date:

- (i) Ten calendar days after the last owner notification has been mailed. This date will be determined based upon the actual final owner notification date and NHTSA will be provided with that date when it becomes available.

573.13(d) Reimbursement Conditions:

(1) Reimbursement is excluded for costs incurred within the period during which Hyundai's original or extended warranty (where Hyundai provided written notice of the terms of the extended warranty to owners) would have provided for a free repair of the condition addressed by the recall, without any payment by the consumer, unless a franchised dealer or authorized representative of Hyundai denied warranty coverage or the repair made under warranty did not remedy the problem addressed by the recall.

(2)(i)(A) Reimbursement is excluded if the pre-notification remedy was not of the same type, repair or replacement of the rear trailing arm(s), as the recall remedy.

(2)(i)(B) Reimbursement is excluded if the pre-notification remedy did not address corrosion of the rear trailing arm(s).

(2)(i)(C) Reimbursement is excluded if the pre-notification remedy was not reasonably necessary to correct the corrosion of the rear trailing arm(s) condition.

(2)(ii) It is not required that the pre-notification remedy be identical to the remedy elected by Hyundai as described in this Part 573 notice to NHTSA.

(4) Reimbursement is excluded if the claimant does not submit adequate documentation to Hyundai at an address or location designated pursuant to § 573.13(f). The plan requires that the following documentation be submitted:

- (i) Name and mailing address of the claimant;

(Hyundai also requests that claimants provide telephone numbers at their option.)

- (ii) Identification of the product that was recalled:

Make, model, model year, and vehicle identification number

- (iii) Identification of the recall (Hyundai's recall number);

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(iv) Identification of the owner or purchaser of the recalled motor vehicle at the time that the pre-notification remedy was obtained;

(v) A receipt for the pre-notification remedy, which may be an original or copy:

(A) If the reimbursement sought is for a repair, Hyundai requires that the receipt indicate that the repair addressed corrosion of the rear trailing arm(s), and state the total amount paid for the repair of that condition. Itemization of a receipt of the amount for parts, labor, other costs and taxes, may not be required unless it is unclear on the face of the receipt that the repair for which reimbursement is sought addressed only the pre-notification remedy relating to the corrosion of the rear trailing arm(s).

(B) If the reimbursement sought is for the replacement of a vehicle part, Hyundai requires that the receipt identify the item and state the total amount paid to replace the rear trailing arm(s).

(Hyundai also requests that the name, address and telephone number of the repair facility or seller of the replacement rear trailing arm(s) be provided on the receipt, and that the receipt be marked "Paid in Full" or that a cancelled check or credit card receipt be provided.)

(vii) If the pre-notification remedy was obtained at a time when the vehicle or equipment could have been repaired or replaced at no charge under a Hyundai original or extended warranty program, documentation indicating that Hyundai's dealer or authorized facility either refused to remedy the problem addressed by the recall under the warranty or that the warranty repair did not correct the problem addressed by the recall.

573.13(e) Amount of Costs to Be Reimbursed:

(1)(i) The amount of reimbursement shall not be less than the lesser of:

(A) The amount paid by the owner for the remedy, or

(B) The cost of parts for the remedy, plus associated labor at local labor rates, miscellaneous fees such as disposal of waste, and taxes. Costs for parts may be limited to Hyundai's list retail price for authorized parts.

(1)(ii) Any associated costs, including, but not limited to, taxes or disposal of wastes, may not be limited.

573.13(f) Address and Authorized Facility for Reimbursement Claim Submittal

ATTN: Consumer Affairs Department (090)

Hyundai Motor America

PO Box 20850

Fountain Valley, CA 92728-0850

573.13(g) Hyundai Response to Request for Reimbursement

(1) Hyundai shall act upon a claim for reimbursement within 60 days of its receipt. If Hyundai denies the claim, Hyundai must send a notice to the claimant within 60 days of receipt of the claim that includes a clear, concise statement of the reasons for the denial.

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(2) If a claim for reimbursement is incomplete when originally submitted, Hyundai shall advise the claimant within 60 days of receipt of the claim of the documentation that is needed and offer an opportunity to resubmit the claim with complete documentation.

573.13(h) Reimbursement Form

Reimbursement shall be in the form of a check.

573.13(i) Reimbursement Plan Availability to the Public

This reimbursement plan is available to the public upon request.

573.6(c)(10)

The service procedure for inspecting the rear trailing arms for corrosion, and replacing the rear trailing arm or applying rust-proofing to the rear trailing arm has been provided to and discussed with ODI. The final Technical Service Bulletin will be provided to NHTSA when available. The TSB will also include the additional inspection and treatment to the front subframe. Other relevant communications will also be forwarded when they are available.

573.6(c)(11)

A draft of the owner notification letter is attached.

573.6(c)(12)

Hyundai has assigned "Campaign 090" as the designation for this campaign.

Sincerely,



Robert Babcock
Senior Manager, Regulation and Certification Department

Attachment

DRAFT MOTOR VEHICLE RECALL

Dear 2001-2003 Santa Fe Owner:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

Hyundai has decided that a defect, which relates to motor vehicle safety, exists in certain model year 2001 through 2003 Hyundai Santa Fe vehicles that were produced during the period beginning March 31, 2000 through January 27, 2003 and which are registered in and operated in Connecticut, Delaware, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, and Wisconsin, and the District of Columbia (the Salt Belt).

Federal law requires that any vehicle lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days.

What is the problem?

- During winter months, large quantities of salt are used to de-ice roads in the Salt Belt states, noted above. Road salt may result in internal corrosion of the rear trailing arms, which could lead to thinning or perforation of the rear trailing arm steel. The corrosion is progressive and occurs over time. You may see or feel slight to moderate changes in vehicle operation which will increase if the vehicle is not repaired. These changes include a lowering of vehicle height that can lead to tire misalignment and steering pull. You may also notice a creaking sound. If the corrosion is allowed to progress, the rear trailing arm may fracture while driving.

The deformation and loss of structural rigidity of the rear trailing arm may increase the risk of a vehicle crash.

What will Hyundai do?

- We are asking you to schedule an appointment as soon as possible to take your vehicle to your Hyundai dealer. The Hyundai dealer will inspect the rear trailing arms for internal corrosion damage. If specified levels of corrosion damage are found, the rear trailing arms will be replaced with new rear trailing arms incorporating additional holes in the upper and lower panels. If your rear trailing arms do not require replacement, the dealer will add drainage holes to the rear trailing arms and will treat the rear trailing arms with rust-proofing material to arrest the corrosion process.

In addition to treating the rear trailing arms, the Hyundai dealer will inspect the front subframe of your vehicle for signs of corrosion that could potentially progress and ultimately affect vehicle performance. This additional inspection is a precautionary measure to offer improved drainage in the front subframe. If the dealer finds specified levels of corrosion damage, the dealer will replace the front subframe. Otherwise, the dealer will treat the front subframe with rust-proofing materials and add drainage holes.

DRAFT MOTOR VEHICLE RECALL

Both procedures will be performed at no charge to you. You should plan to leave your vehicle at your Hyundai dealer to have this service performed. Repair times will vary and depend on your dealer's appointment schedule.

What should you do?

- We urge you to call your Hyundai dealer to schedule an appointment to have this work performed as soon as possible.

What if you have other questions?

- If you have any difficulty having this repair performed, we recommend that you call the Hyundai Customer Assistance Center at 1-800-633-5151. If you are still not satisfied that we have remedied this situation without charge, and within a reasonable amount of time, you may wish to write to the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Avenue, SE, Washington, D.C. 20590, or call their toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153), or go to <http://www.safercar.gov>.

Reimbursement Notification

- Hyundai has a program for reimbursing owners of 2001 through 2003 Santa Fes produced through January 27, 2003 who paid to have the rear trailing arm(s) replaced after April 14, 2008 and prior to receiving this recall notification letter.

To obtain information about reimbursement from Hyundai, please call the Hyundai Customer Assistance Center at 1-800-633-5151. Ask about reimbursement information for campaign 090.

We urge your prompt attention to this important safety matter.

Hyundai Motor America