

VOLKSWAGEN DEALERSHIP COMMUNICATION

To: Dealer Principal, Sales Manager, Service Manager, Parts Manager and Warranty Administrator

Name

Title

Subject: Mandatory Stop-Sale Order Safety Recall 69H3/S3 - 2009 MY Volkswagen CC/Passat CC Product Compliance

Department

March 30, 2009 Da

IMPORTANT NOTICE TO DEALERS - FOR IMMEDIATE DISTRIBUTION

MANDATORY STOP-SALE ORDER

Stop-Sale Order for Safety Recall 69H3/S3

Effective immediately, some 2009 model year Volkswagen CC/Passat CC vehicles are under a mandatory stop-sale order.

DO NOT SELL, LEASE, OR DEALER TRADE ANY OF THESE VEHICLES.

Safety Recall 69H3/S3

Volkswagen has notified the NHTSA and Transport Canada of an upcoming safety recall affecting some 2009 model year Volkswagen CC/Passat CC vehicles. Because of this, affected vehicles in dealer inventory are under a mandatory stop-sale order.

What is the problem?

Some affected vehicles may have an incorrectly routed right front passenger seat belt buckle wiring harness, creating the potential for wires to become damaged when the seat is moved fully up or down or fore and aft. If this wiring damage occurs, the airbag control module will switch to a fallback algorithm and deactivate the passenger's frontal air bag. Vehicle occupants will be made aware of this airbag deactivation when both the airbag warning light in the instrument cluster and the passenger airbag OFF lamp illuminate. In the event of a crash, the passenger's frontal airbag will not deploy and will not be able to properly protect an occupant.

What should dealers do?

All dealers are asked to check their VIM report to see if they have any in-stock vehicles affected by this recall. Only dealers with inventory vehicles affected by this action will see vehicles tagged with the 69H3/S3 campaign on their VIM report.

- If you have an affected vehicle on the list, <u>DO NOT</u> sell, lease, or dealer-trade it. If you are using the
 vehicle as a demo, discontinue doing so immediately.
- Please keep any affected vehicle in a secure area where it cannot be made available for sale, lease or trade.

IMPORTANT!

To ensure that ALL of your personnel are aware of this recall before receiving questions from any customer, please share this information with ALL personnel who have campaign-related responsibilities, including service writers, technicians, parts employees, warranty administrators, etc.

What will Volkswagen do?

- In April, dealers will receive instructions on inspecting the seat belt buckle wiring harness routing for affected vehicles.
- If a vehicle does not require repair, can be released from the stop-sale hold which will make it available for sale/lease/trade.
- If a vehicle requires repair, dealers must complete the repair according to the instructions provided. Once
 repair is complete, the vehicle will be released from stop-sale hold. Affected dealers will be reimbursed for
 floor planning expenses related to the stop-sale hold vehicles while they are awaiting inspection/repair.

Important Reminder on Vehicles Affected by Safety and Compliance Recalls

By law, dealers must correct, prior to delivery for sale or lease, any vehicle that fails to comply with an applicable Federal Motor Vehicle Safety Standard or that contains a defect relating to motor vehicle safety.

Thank you for your assistance in this important matter. If you have any questions or require additional assistance, please contact the Campaign Helpline at 1-800-741-2919.

Volkswagen Product Compliance

Frequently Asked Questions (FAQ) Safety Recall SAGA 69H3/S3

This FAQ is intended to provide supplementary information regarding this Safety Recall. For additional information, please refer to the Safety Recall circular that will be posted on ElsaWeb and on VWHub/ServiceNet.

■ What vehicles are affected?

Some 2009 model year Volkswagen CC vehicles in the United States and in 2009 model year Passat CC vehicles Canada are affected by this recall.

What is the problem and what can happen?

Some affected vehicles may have an incorrectly routed right front passenger seat belt buckle wiring harness, creating the potential for wires to become damaged when the seat is moved fully up or down or fore and aft. If this wiring damage occurs, the airbag control module will switch to a fallback algorithm and deactivate the passenger's frontal air bag. Vehicle occupants will be made aware of this airbag deactivation when both the airbag warning light in the instrument cluster and the passenger airbag OFF lamp illuminate. In the event of a crash, the passenger's frontal airbag will not deploy and will not be able to properly protect an occupant.

Can I drive the vehicle until it is repaired?

Affected vehicles can continue to be driven as usual, but if both airbag warning light in the instrument cluster and the passenger airbag OFF lamp illuminate, the passenger's frontal airbag will not deploy in a crash and will not be able to properly protect an occupant. If this happens, customers should stop driving the vehicle and have it towed to an authorized Volkswagen dealer for service immediately.

How many vehicles are affected and when will customer notification begin?

There are approximately 5,000 affected vehicles in the United States and approximately 600 in Canada. Customer notification schedule is still to be determined.

■ What exactly will be repaired on the vehicle?

Volkswagen will inspect and, if necessary, adjust the routing of the right front passenger seat belt wiring harness. If a damaged wiring harness is found, the harness will be replaced.

Is a loaner vehicle being covered under this action?

A loaner vehicle will not be offered under this action. Dealers with customers needing alternate transportation should refer to the existing loaner vehicle policy.

Is towing being covered under this action?

Towing is not covered under this campaign. For vehicles that experience the malfunction addressed by this safety recall, dealers should refer to the existing towing policy for cars within the new vehicle limited warranty.

Do I have to make an appointment?

Yes, after you receive a letter confirming that you are the owner of an affected vehicle and parts are available.

■ When will this repair be available?

When sufficient parts stock is available, owners of affected vehicles will be notified. Pending parts availability, dealer notification will take place on or before April 1, 2009, and customer notification on or before April 24, 2009.