

TOYOTA**TOYOTA MOTOR NORTH AMERICA, INC.**

WASHINGTON OFFICE

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April 28, 2010

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

RE: EA09-006
Toyota Sequoia Vehicle Stability Control
Part 573 Defect Information Report

Dear Mr. Smith:

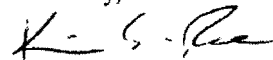
In December 2008, your office opened a Preliminary Evaluation (PE08-072) into the performance of the Vehicle Stability Control (VSC) system on MY 2003 Toyota Sequoia vehicles. In April 2009, this investigation was upgraded to an Engineering Analysis (EA09-006).

Toyota has cooperated fully with the agency's investigation and has supplied information in response to the agency's Information Requests showing that the performance of the VSC system in these vehicles does not present an unreasonable risk to motor vehicle safety. The vehicles are approximately eight years old, and there are no reports of crashes, injuries or fatalities associated with this alleged defect. Indeed, the vast majority of customers seeking warranty repairs on their VSC system have obtained the repairs without any reports to Toyota of a safety-related event. Throughout this investigation, Toyota has consistently advised NHTSA of its position that the alleged inappropriate activation of the VSC system does not present an unreasonable risk to safety, because the activations are rare; when they are reported to have occurred, the reports indicate that they occur at low speeds when the vehicle is fully controllable; and the reported activations do not last more than a few seconds, after which the vehicle is performing normally.


Nevertheless, Toyota wishes to resolve the agency's concerns about the VSC systems in these vehicles and has decided to undertake a voluntary recall to address the performance issues associated with the alleged defect. The information specified in Part 573 of your regulations is attached.

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

Sincerely,



TOYOTA MOTOR NORTH AMERICA, INC.

 Chris Santucci, Manager
Technical & Regulatory Affairs

Enclosure

DEFECT INFORMATION REPORT

1. Vehicle Manufacturer Name:

Toyota Motor Manufacturing, Indiana, Inc. ["TMMI"]
4000 Tulip Tree Dr., Princeton, IN, 47670-4000

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

Manufacturer of Skid Control ECU:
CONTINENTAL TEVES, Inc.
One Continental Drive, Auburn Hills, MI, 48326
Telephone: 1-248-393-5300

2. Identification of Affected Vehicles:

Based on production records, we have determined the possible affected vehicle population as in the table below.

Make/ Car Line	Model Year	Manufac- turer	VIN		Production Period
			VDS	VIS	
Toyota SEQUOIA	2003 MY	TMMI	BT44A#	S101211~S187555	April 01, 2002 - April 17, 2003
			BT48A#	S099426~S187569	
			ZT34A#	S100033~S187571	
			ZT38A#	S100343~S187568	

Note: Although the involved vehicles are within the above VIN ranges, not all vehicles in these ranges were sold in the U.S.

3. Total Number of Vehicles Potentially Affected:

2003MY Toyota Sequoia: Approximately 50,000 units

4. Percentage of Vehicles Estimated to Actually Experience Malfunction:

Unknown

5. Description:

On certain 2003 Model Year TOYOTA SEQUOIA vehicles, the center position of the Steering Angle Sensor (SAS) may not be stored correctly due to improper logic of Skid Control ECU programming. If this occurs, in most cases the VSC/TRAC warning light will illuminate. However, in limited situations the Vehicle Stability Control (VSC) system could activate at low speed (approximately 9 mph) for a few seconds after acceleration from a stopped position, and the vehicle may not accelerate as quickly as the driver expects.

6. Chronology of Principal Events:

December 16, 2008: NHTSA opened a Preliminary Evaluation (PE08-072) concerning alleged inappropriate activation of the Vehicle Stability Control system on 2003 Sequoia models.

March 24, 2009: Toyota responded to NHTSA's Information Request, providing information on VSC system design and operation for the 2003 Sequoia model. It also identified changes made to the programming of the Skid Control ECU in 2003 and provided related Technical Service Bulletins issued at that time. No reported crashes or injuries have been received. Toyota indicated that it did not believe that the alleged inappropriate activation of the VSC was an unreasonable risk to motor vehicle safety.

April 18, 2009: NHTSA opened an Engineering Analysis (EA09-006) concerning the VSC system on 2003 Sequoia's.

February 19, 2010: Toyota responded to NHTSA's Information Request with additional data on the VSC system for the subject vehicles. No reported crashes or injuries have been received. Toyota indicated and continues to believe that there is no unreasonable risk to motor vehicle safety, because any inappropriate activation of the VSC occurs at low speeds, is of short duration, and there is no loss of vehicle control.

April 22, 2010: Notwithstanding its belief that no unreasonable risk to safety is presented, Toyota decided to conduct a field action to replace the Skid Control ECU on the subject vehicles. This will be conducted as a voluntary safety recall campaign and reported to NHTSA in accordance with 49 CFR, Part 573.

7. Description of Corrective Repair Action:

All known owners of the subject vehicles will be notified by first class mail. Toyota dealers will replace the Skid Control ECU.

Reimbursement Plan for Pre-notification remedies for Toyota

The owner letter will instruct vehicle owners that have paid to have the Skid Control ECU replaced for this condition (i.e., DTC C1231) prior to this campaign to seek reimbursement by mailing a copy of their repair order, proof-of-payment, and proof-of-ownership for reimbursement consideration.

(i) The beginning date of the Toyota reimbursement plan will be:

The reimbursement plan will cover repairs made no earlier than April 01, 2002, when the first vehicles were manufactured.

(ii) The ending date of Toyota reimbursement plan will be:

The ending date shall be at least 10 calendar days after the date on which the last owner notification was mailed, however Toyota will further review requests for reimbursement from involved vehicle owners on a case-by-case basis.

(iii) Toyota may exclude reimbursement, if:

- a. the pre-notification repair was not of the same type (repair, replacement, or refund of purchase price) as the recall remedy;
- b. the pre-notification repair was not reasonably necessary to correct the condition that led to the recall or a manifestation of the condition;
- c. the pre-notification remedy was not reasonably necessary to correct the condition; or;
- d. the repair was conducted as a result of vehicle accident, debris or another reason not specifically related to the condition.

(iv) Toyota will reimburse eligible customers for at least the cost of the Skid Control ECU and the replacement labor. Other costs may be reimbursed on a case-by-case basis.

(v) Owners requesting reimbursement must submit the appropriate documentation: repair order, reason for replacement, proof-of-payment, and proof-of-ownership to Toyota for reimbursement consideration.

8. Recall Schedule:

Toyota's mailing of the initial owner notification will commence in the end of May.

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

9. Distributor/Dealer Notification Schedule:

Toyota's notifications to distributors/dealers will be sent in the end of May.