



December 06, 2012

Ms. Nancy Lewis Associate Administrator for Enforcement National Highway Traffic Safety Administration 1200 New Jersey Avenue, SE Washington, D.C. 20590

RE: Defect Information Report

Dear Ms. Lewis:

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:

573.6(c)(1)

Manufacturer - Hyundai Motor Company

Distributor - Hyundai Motor America

Distributor - Hyundai de Puerto Rico

573.6(c)(2)

Certain 2012 model year Hyundai Veloster vehicles equipped with manual transaxles produced beginning on July 02, 2011 through February 27, 2012 are affected.

573.6(c)(3)

Approximately 4,300 model year 2012 Hyundai Veloster vehicles equipped with manual transaxles are affected in the United States. Approximately 190 vehicles are affected in Puerto Rico.

Hyundai-Kia America Technical Center Inc. 6800 Geddes Road, Superior Township, MI 48198 TEL: 734-337-9499 FAX: 734-483-5919

www.hatci.com

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573.6(c)(4)

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

573.6(c)(5)

The parking brake for the Hyundai Veloster is a cable actuated "ball in ramp" system design which mechanically applies the rear caliper pistons to initiate contact between the disc brake pads and rotors. A lever is attached to the inboard side of each rear brake caliper. The lever is attached to a shaft inside the caliper which has a plate attached to the opposite end. Another plate is attached to a thrust screw inside the caliper piston. The two plates face each other and are separated by small steel balls. When the parking lever is applied, the caliper lever rotates the shaft and inner plate. Ramps in the surface of the plate force the balls outward against ramps in an adjacent plate. As the plates move farther apart, the thrust screw forces the piston outward applying the brake.

Analysis of parts from the field indicate infiltration of moisture/road grime resulting in corrosion developing between the actuating lever's shaft and caliper body causing the shaft to bind.

This condition affects only the mechanical application of the parking brake and does not affect the ability of the hydraulic service brakes to apply the rear brakes.

The above condition may result in rear brake noise, the parking brake not releasing, or the inability of the operator to properly apply the parking brake. The inability of the operator to properly apply the parking brake may increase the risk of property damage or injury if the vehicle were to roll after parking. A manual transmission vehicle that is parked in neutral without a fully applied parking brake may move unintentionally.

573.6(c)(6)

December, 2011

Hyundai received customer complaints of 1) noise from rear brakes and 2) parking brake operation. Hyundai began collection of field parts for analysis and possible corrective action.

February 2012

Hyundai found out that connecting pin in rear caliper housing corroded on some units due to water ingress. This pin rotates in the caliper housing and is connected to the parking brake cable on one end and the caliper piston at the other end. A revised seal to better prevent moisture intrusion into caliper assembly was incorporated on February 28, 2012. The claim rate was approximately 0.18%, and Hyundai continued to monitor the field performance of the Veloster rear caliper.

November 2012

As of November 28, 2012, Hyundai has identified 147 warranty claims, 18 customer complaints, and 8 Field Reports related to application issues related to the parking brake on 2012 Hyundai Velosters. Hyundai has not received any complaints of an affected vehicle moving unintentionally, or any accidents or injuries as a result of this condition.

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Hyundai has decided to conduct a voluntary safety recall to replace the rear brake caliper assemblies on the affected vehicles with calipers incorporating a revised seal to better protect the actuating shaft and caliper body.

573.6(c)(8)

Hyundai Motor America will notify all owners of the Hyundai vehicles described in <u>573.6(c)(2)</u> above to return their vehicles to their Hyundai dealers, who will replace the rear brake caliper assemblies.

Hyundai anticipates that owners will begin to be notified by mail during January, 2013 after NHTSA has approved the owner notification letter.

Replacing the rear brake calipers for the vehicles affected by this recall would have been covered for 5 years or 60,000 miles under Hyundai's new vehicle limited warranty. As owners of these vehicles would not have incurred expenses for the warranted repair as a result of this condition, Hyundai believes that it is not necessary, and should not be required, to provide notification regarding reimbursement under section 577.11.

573.6(c)(10)

A draft of the Technical Service Bulletin is attached.

A draft copy of the dealer communication is attached.

573.6(c)(11)

A draft of the owner notification letter is attached.

573.6(c)(12)

Hyundai has assigned "Campaign 107" as the designation for the campaign.

Sincerely,

Robert Babcock

Robert Babrock

Director, HATCI Certification and Compliance Affairs

Attachments: Draft Technical Service Bulletin

Draft Dealer Communication Draft Owner Notification Letter