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13V-489

(5 pages)



HYUNDAI-KIA
AMERICA TECHNICAL CENTER, INC.

October 28, 2013

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 2009 through 2012 model year Hyundai Genesis sedan vehicles produced beginning on April 30, 2008 through March 28, 2012.

Component Manufacturer Identification: Continental Automotive Corporation
7F Solid Bldg, 220 Pangyoyeok-ro, Bundang-gu,
Seongnam-si, Gyeonggi-do 463-400, Korea

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

HATCI is an authorized representative of both Hyundai Motor Company and Kia Motors Corporation; which are separate and distinct automotive manufacturers.

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573.6(c)(3)

Approximately 43,500 2009 through 2012 model year Hyundai Genesis sedans are affected in the United States. Approximately 25 Hyundai Genesis sedans are affected in Puerto Rico.

573.6(c)(4)

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

573.6(c)(5)

The subject vehicles may contain brake fluid that does not sufficiently inhibit corrosion in the zinc plating on the service brake system's Hydraulic Electronic Control Unit (HECU) module. Over time, corrosion may lead to a gel buildup on the module's valves affecting the valve's operation, resulting in low/soft brake pedal with reduced brake effectiveness, which may increase the risk of a vehicle crash.

573.6(c)(6)

In March, 2013 Hyundai launched a service campaign to replace the brake fluid in certain 2009-2012 model year Genesis sedan and 2011-2012 model year Equus vehicles. As of that time, the warranty claim rate relating to the Hydraulic Electronic Control Unit for the Genesis sedan was approximately 0.93% and 0.07% for the Equus. Hyundai noted at the time that General Motors had conducted a preventative Customer Satisfaction Program in the United States in 2012 to address a similar issue, and Hyundai filed the Technical Service Bulletin with NHTSA as required by 49 CFR Part 579. To date, approximately 62% of the Genesis vehicles and virtually all of the Equus vehicles have had the brake fluid replaced pursuant to the service campaign.

Upon receiving the Preliminary Evaluation into this issue on October 17, 2013, Hyundai reviewed the service campaign response data and found warranty claims to replace the Hydraulic Electronic Control Unit in early production Genesis sedan vehicles following completion of the service campaign. These return claims suggest that due to time in service, affected vehicles built prior to June 01, 2010 may require additional inspection or replacement of the Hydraulic Electronic Control Unit. Hyundai has not to date received claims sufficient to indicate a need to inspect or replace the Hydraulic Electronic Control Unit with regard to Equus vehicles or Genesis sedans built after June 01, 2010.

To address the potential that the Hydraulic Electronic Control Unit may require replacement in the earlier production vehicles, and to ensure that all affected Genesis vehicles have been serviced, Hyundai will conduct a safety recall to inspect, and if necessary, repair the service brake system on Genesis sedan vehicles built prior to June 01, 2010. Hyundai will additionally recall Genesis vehicles built after June 01, 2010 identified above in 573.6(c)(2) that have not already had the brake fluid replaced pursuant to the service campaign.

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573.6(c)(8)

Hyundai Motor America will notify all owners of the Hyundai vehicles described in 573.6(c)(2) above to return their vehicles to their Hyundai dealers for service. For vehicles manufactured prior to June 01, 2010 dealers will verify proper operation of and, if necessary, effect repairs to the Hydraulic Electronic Control Unit (including replacement of the brake fluid with fluid containing additional corrosion inhibitor additive). For vehicles manufactured after June 01, 2010 dealers will flush the HECU assembly/valves and brake system using Hyundai's dealer diagnostic tool and change the brake fluid with fluid containing additional corrosion inhibitor additive.

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

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) October 25, 2012, 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 (replacement of the HECU assembly or replacement of the brake fluid with fluid containing additional corrosion inhibitor additive) as the recall remedy.

(2)(i)(B) Reimbursement is excluded if the pre-notification remedy did not address replacement of the HECU assembly or replacement of the brake fluid with fluid containing additional corrosion inhibitor additive.

(2)(i)(C) Reimbursement is excluded if the pre-notification remedy was not reasonably necessary to correct a condition addressed by replacement of the HECU assembly or replacement of the brake fluid with fluid containing additional corrosion inhibitor additive.

(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.

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(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, vehicle identification number, and a copy of the current vehicle registration

(iii) Identification of the recall (114);

(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 a condition related to the HECU assembly or replacement of the brake fluid with fluid containing additional corrosion inhibitor additive, 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 concerning a condition related to the HECU assembly or replacement of the brake fluid with fluid containing additional corrosion inhibitor additive.

(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 HECU assembly or replacement of the brake fluid with fluid containing additional corrosion inhibitor additive.

(Hyundai also requests that the name, address and telephone number of the repair facility or seller of the replacement HECU assembly or replacement brake fluid containing additional corrosion inhibitor additive 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

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(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: Hyundai Customer Connect Center (114)
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.

(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 debit card.

573.13(i) Reimbursement Plan Availability to the Public

This reimbursement plan is available to the public upon request.

573.6(c)(10)

A draft of the Technical Service Bulletin will be forwarded when available.

A draft copy of the dealer communication will be forwarded when available.

573.6(c)(11)

A draft of the owner notification letter will be forwarded when available.

573.6(c)(12)

Hyundai has assigned "Campaign 114" as the designation for the campaign.

Sincerely,



Robert Babcock

Director, HATCI Certification and Compliance Affairs