



**HYUNDAI**  
NEW THINKING.  
NEW POSSIBILITIES.

**RECEIVED**

By Recall Mangement Division at 2:45 pm, Jul 08, 2014

July 7, 2014

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 Motor America (HMA) 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 (HMC)

Distributor - Hyundai Motor America

Distributor - Hyundai de Puerto Rico

573.6(c)(2)

2007 through 2012 model year Hyundai Veracruz vehicles produced from December 26, 2006 through July 24, 2012 are affected.

573.6(c)(3)

Approximately 61,000 model year 2007 through 2012 model year Hyundai Veracruz vehicles are affected in the United States. Approximately 122 model year 2007 through 2012 model year Hyundai Veracruz vehicles 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)

Engine oil can leak from the front cylinder bank's valve cover gasket in the area where the timing cover is mated to the cylinder head. If a sufficient amount of oil drips onto the alternator, the alternator can be damaged resulting in the charging system becoming inoperative. The charging system warning lamp in the cluster will then illuminate. The vehicle will run on battery power until the battery voltage drops below the Engine Control Module's minimum operational voltage (less than 10 volts). If this occurs, the engine will shut off and not restart, increasing the risk of a crash.

573.6(c)(6)

In June, 2014, Hyundai was contacted by ODI regarding Vehicle Owner Questionnaires referencing alternator failures resulting from engine oil contamination. Upon receiving this inquiry, Hyundai reviewed Vehicle Owner Questionnaires and warranty records for cases of engine stalling resulting from alternators damaged by engine oil. Warranty records indicate an average claim rate of approximately 1.5% for repairs involving engine stalling related to alternators damaged by engine oil. There are no reports of accidents or injuries as a result of this condition.

On July 3, 2014, based on its analysis of the available data, Hyundai reached the decision to initiate this defect notification.

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, who will inspect and repair or replace the alternator and repair the front valve cover gasket oil leak.

Hyundai anticipates that owners will begin to be notified by mail during the third quarter of 2014 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) July 7, 2013, 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 as the recall remedy.

(2)(i)(B) Reimbursement is excluded if the pre-notification remedy did not involve replacement of the front valve cover gasket and/or alternator.

(2)(i)(C) Reimbursement is excluded if the pre-notification remedy was not reasonably necessary to correct a condition addressed by replacement of the front valve cover gasket and/or alternator.

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

(iii) Identification of the recall (121);

(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 replacement of the front valve cover gasket and/or alternator, and state the total amount paid for the repair of that condition. Itemization of a receipt of the amount for 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 replacement of the front valve cover gasket and/or alternator.

(Hyundai also requests that the name, address and telephone number of the repair facility 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 the associated labor at local labor rates, miscellaneous fees such as disposal of waste, and taxes.

- (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 (121)  
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)

The Technical Service Bulletin describing the service procedure will be forwarded when available.

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

Hyundai Motor America

573.6(c)(11)

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

573.6(c)(12)

Hyundai has assigned "Campaign 121" as the designation for the campaign.

Sincerely,

A handwritten signature in cursive script that reads "Steve Johnson".

Steve Johnson  
Director, Engineering and Design Analysis