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By Recall Management Division at 7:55 am, Jul 18, 2014



July 17, 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

Distributor - Hyundai Motor America

573.6(c)(2)

Model Year 2001-2006 Hyundai Santa Fe vehicles that are registered and operated in the following 20 "salt belt" states and the District of Columbia: Connecticut, Delaware, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, Wisconsin, and the District of Columbia.

Component Manufacturer Identification: Dae Won Kang Up Co Ltd
PO Box 2974
6-15 Namdaemunno 5-Ga
Chung-Gu, 100095 Seoul, Korea
82 2 3455 7411

573.6(c)(3)

Approximately 225,000 model year 2001-2006 Hyundai Santa Fe vehicles are affected.

Note: These figures are the quantities originally sold in the 20 affected states and the District of Columbia. The quantities of affected vehicles in operation in those states will be developed from state motor vehicle registration records prior to owner notification. Hyundai will also inform dealers to inspect/repair vehicles that were previously registered in salt belt states but are currently registered elsewhere.

573.6(c)(4)

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

573.6(c)(5)

Hyundai has determined that, as the result of corrosion, the front coil spring in the subject vehicles can fracture near the base of the spring. Due to the location of the spring and the geometry of the vehicle, a fractured coil spring can make contact with the tire, potentially resulting in a tire puncture and increasing the risk of a crash.

573.6(c)(6)

Hyundai has received reports that a coil spring can fracture in the subject vehicles as the result of corrosion. The investigation is ongoing, but it is believed the fractures are the result of stress corrosion cracking (the growth of crack formation in a corrosive environment). In the subject vehicles, the fractured coil spring can potentially contact and puncture the tire, resulting in varying conditions similar to a tire puncture arising from road debris. Hyundai has received approximately 1,200 warranty claims (a claim rate of 0.25%) regarding corrosion of the coil spring, approximately 90 of which have additionally alleged contact with the tire. On July 15, 2014, Hyundai decided to conduct a safety recall and plans to inspect and if necessary, replace the coil springs with revised service parts. There have been no reported accidents or injuries associated with this condition.

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 if necessary, replace the coil springs with revised service parts.

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 17, 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 vehicle's front coil spring(s).

(2)(i)(C) Reimbursement is excluded if the pre-notification remedy was not reasonably necessary to correct a condition addressed by replacement of the vehicle's front coil spring(s).

(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 (124);

(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 vehicle's front coil spring(s), and state the total amount paid for the repair. 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 vehicle's front coil spring(s).

(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 (124)
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.

Hyundai Motor America

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.

573.6(c)(11)

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

573.6(c)(12)

Hyundai has assigned "Campaign 124" as the designation for the campaign.

Sincerely,

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

Steve Johnson
Director, Engineering and Design Analysis