



June 8, 2018

Attention: All Kia Parts & Service Managers

Kia Motors America, Inc., pursuant to the National Traffic and Motor Vehicle Safety Act, is conducting a Safety Recall Campaign to inspect the Hydraulic Clutch Actuator (HCA) phase caps for oil leaking and contamination on certain 2017 MY Kia Niro HEV vehicles manufactured from November 1, 2016 thru September 11, 2017. The Hydraulic Clutch Actuator (HCA) may have a damaged oil seal causing oil to leak and accumulate in the phase cap area of the HCA housing. As a result, an electrical short can occur which may result in thermal damage and illumination of the Hybrid System Warning Light, indicating that there is a malfunction with the hybrid system. This increases the risk of a fire. If there is oil leaking and contamination, the HCA assembly will be replaced. If there is no oil leaking and no contamination, new phase caps will be installed with additional sealant for added protection. In some vehicles, the phase caps may have already been replaced during production with improved phase caps. The TSB provides instructions on how to identify if the new phase caps have already been installed.

The Technical Service Bulletin that provides vehicle inspection and repair procedures, affected VIN production range, and warranty claim information will be posted on the Kia Global Information System (KGIS) at www.kiatechinfo.com during the week of **June 11, 2018**.

PARTS INFORMATION – An initial shipment will go out to all dealers the week of June 4, 2018 for dealer stock vehicles and a portion of the retail units sold.

NOTE: *The dealer should provide the customer with alternate transportation if requested to minimize inconvenience. Dealers will be able to submit for reimbursement of alternate transportation expenses as outlined in the TSB.*

Enclosed you will find a copy of the owner notification letter and a Q&A Guide for recall questions, both of which describe the issue. A list of Kia Niro HEV owners affected by this recall can be accessed on WEBDCS. Log onto the site, select the Campaigns Tab, click on Open Campaign Report in the left side menu, and select **SC163** to generate the list.

We will mail notices to the affected 2017 MY Niro HEV vehicle owners beginning on **June 15, 2018**. Please start performing the repairs immediately on any affected vehicles currently in your inventory.

Also, please make certain the appropriate personnel in your dealership are familiar with the details of this recall to ensure proper responses to customer inquiries and requests to have the recall performed on their 2017 MY Niro HEV vehicles. This Safety Recall represents an opportunity for your service department to deliver an exceptional service experience (e.g. flexible service appointment process, car wash and vacuum and timely service).

NHTSA ADVISORY: **It is a violation of Federal law for a dealer to deliver a new motor vehicle covered by this notification under a sale or lease until the defect is remedied.**

LEGAL PRIVACY LIABILITY NOTICE: Pursuant to the terms of the Dealer Sales and Service Agreement and the Gramm-Leach-Bliley federal consumer privacy act, you are required to keep confidential any and all information and documents provided to you by Kia Motors America, Inc. or generated by you in the conduct of carrying out work under that Agreement regarding Kia vehicle purchasers and owners, including but not limited to warranty claim information. Kia dealers may use such owner information for the sole purpose of conducting and performing this safety recall campaign, and for no other purpose.

Your prompt attention in completing this recall is appreciated. If you have any questions, please contact your Kia District Parts and Service Manager.

Sincerely,

Neem Van der Reest
Quality Analysis Manager
Enclosures