

APR 11 2003

Mr. John D. Evans
Vice President Engineering
The Knapheide Manufacturing Company
P.O. Box 7140
Quincy, IL 62305-7140

Dear Mr. Evans:

We are responding to your letter of October 10, 2002, asking five questions with respect to interpretations of the "early warning reporting" final rule (49 CFR Part 579, Subpart C).

Your first question was:

Knapheide Manufacturing Company manufactures a wide variety of truck bodies. The vast majority of warranties, consumer complaints and field reports will be related to the truck body rather [than] to one of the vehicle systems defined by the Tread Act (numbers 1 through 22). According to the definition of "Structure" in Part 579.4, the body, doors, bumper and tailgate are included in this category (number 16), and all these items are included on a service body. Is it NHTSA's intent to have all issues related to a body that is installed by a final stage manufacturer be reported in the "Structure" category?

In adopting a definition of "structure," we observed that "we believe it is important to obtain information about problems with a vehicle's structure, since many other systems and components attach to the structure" (67 FR at 45861). Section 579.22(b)(2) establishes reporting codes for 22 systems and components of medium heavy trucks and buses. Only "structure" is appropriate for reporting issues directly related to the body of a vehicle, so all reports regarding the body should be filed in the "structure" category. See also, response to final question below.

Your second question was:

If the answer to question 1 is yes, then consider the following. Many warranties regarding a truck body have nothing to do with vehicle safety. For example, dents and dings occurring during shipment, paint failure, water leaks, etc. If these types of issues are reported in the "Structures" category against specific vehicle makes

and models, then the summary report could reflect a large number of warranties for a particular vehicle make and model when in fact the warranty issues had nothing to do with the vehicle as manufactured by the OEM. Is it NHTSA's intent to have these types of issues related to a body reported in the "Structure" category?

The purpose of the early warning reporting rule is to provide NHTSA with an earlier indication of potential safety problems in part through submission of the number of warranty claims relating to specified components and systems. These problems generally have their origin in the design or manufacture of a motor vehicle. They do not have their origin in events that occur after a vehicle has left the direct control of a manufacturer, such as dings in shipping, damage from leaking water (although "paint failure" cited by the commenter could indicate a deficiency in manufacturing), and the like, or, as Knapheide put it, warranty issues that have "nothing to do with the vehicle as manufactured by the OEM."

Your third question was:

"Structure" as defined in Part 579.4, means "any part of a motor vehicle that serves to maintain the shape and size of a vehicle." There are many accessories that can be installed inside of a service body that do not change the shape or size of the body. Examples include welders, generators, inverters, etc. Are warranties on these types of accessories reportable as a "structure" issue?

Generally, accessories that are installed inside of a service body would appear to have little potential for creating a motor vehicle safety-related defect. We therefore do not expect warranty claims on "these types of accessories" to be reported to NHTSA unless they do affect safety, such as a problem that creates the risk of a fire.

Your fourth question was:

Ancillary pieces of equipment can be added to a truck body to enhance its work performing capabilities. Examples include hoists, cranes, aerial lifts, ladder racks and material racks. Are warranties on these types of ancillary pieces of equipment reportable as a "Structure" issue?

Ancillary pieces of equipment added to the exterior of a truck body can be defective in themselves and they have the potential for creating a safety-related defect, and warranty claims involving them must be reported. Since there is no code under Section 579.22(b)(1) for reporting systems and components other than the 22 specified, "structure" is the appropriate reporting category.

You prefaced your final question with the explanation that Knapheide is a manufacturer of original and replacement truck body equipment that it sells through distributors. One of the distributors is Knapheide's wholly-owned subsidiary while four others "have common shareholders" with Knapheide. These five entities are all final stage manufacturers (as well as distributors). You asked:

If all reports to NHTSA from Knapheide are based on the collective activity of the five above mentioned distributor corporations, can The Knapheide Manufacturing Company be considered as an equipment manufacturer and report only under paragraph 579.27?

We interpret this question as based on the assumption that each of the five manufacturing corporations will report to NHTSA separately. If Knapheide itself were not a final stage manufacturer, it would be considered a manufacturer of motor vehicle equipment other than child restraint systems and tires, and subject to the less extensive requirements of Section 579.27. Its wholly owned subsidiary would have to report as a vehicle manufacturer, and if it manufactured 500 or more vehicles per year of any specified category, it would have to file comprehensive reports as under Section 579.21 and/or Section 579.22.

If you have any questions, you may call Taylor Vinson of this Office (202-366-5263).

Sincerely,

Original Signed By

Jacqueline Glassman
Chief Counsel