

APR 29 2003

Ms. Kathy L. Samovitz  
Associate Counsel  
Coachmen Industries, Inc.  
P.O. Box 3300  
Elkhart, Indiana 46515

Dear Ms. Samovitz:

This is in reply to your e-mail of March 18, 2003, to Jonathan White of this agency, with regard to reporting of field reports under the early warning reporting regulation promulgated by the National Highway Traffic Safety Administration (Subpart C of 49 CFR Part 579).

You asked whether "prior authorization submissions for warranty repairs fall into the category of field reports." If we conclude that these submissions are "field reports," you asserted that it would be "an incredible burden on each manufacturer to capture the historical information for the last ten model years" if it were required to include prior authorization submissions in the count of field reports.

In an e-mail to Taylor Vinson of this Office on April 9, 2003, you described a "prior authorization submission" as follows:

The dealer submits a "prior approval" which sets out the identifying information of the vehicle, the problem complained of, and the anticipated repair. The warranty claim dept of the manufacturer then approves or denies the submission. If it is approved, the dealer submits a warranty claim. If not, nothing further is submitted. This is not necessarily a step that every manufacturer takes in their processing of claims. But it is a step that Coachmen RV takes.

As we understand your concern, if the dealer's submission is considered a field report and the dealer later submits a warranty claim relating to it, there will be duplicate reporting of numbers under field reports and warranty claims. On the other hand, if the submission is not considered a field report and the manufacturer denies the submission, the information will not result in a warranty claim and could go uncaptured.

In developing the early warning reporting requirements, we were not aware of documents called "prior authorization submissions" and, thus, did not develop a definition for this term. Your letter implies that other manufacturers may have similar "prior approval" documents, but, in the absence of a definition or generally accepted meaning of the term, the format of such a submission may vary from manufacturer to manufacturer in terms of its informational content. While such a document may appear to have some elements of a "field report," it apparently simply identifies the problem as a foundation for a warranty claim, and the action item sought is simply a warranty authorization. If the manufacturer approves the authorization, the incident will be reflected subsequently in the manufacturer's quarterly report on warranty claims. We believe that this serves the purpose of early warning reporting. However, if the document contained an assessment of a performance problem to the manufacturer and was not oriented primarily toward warranty approval, it would be considered to be a field report.

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

Sincerely,

**Original Signed By**

Lloyd S. Guerci  
Assistant Chief Counsel  
for Litigation and Enforcement