

February 27, 2019

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Chairman Roger Wicker
U.S. Senate Committee on Commerce,
Science, and Transportation
512 Dirksen Senate Building
Washington, DC 20510

Chairwoman Jan Schakowsky
Committee on Energy and Commerce
Subcommittee on Consumer Protection
and Commerce
2125 Rayburn House Office Building
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Chairman Deb Fischer
U.S. Senate Committee on Commerce,
Science, and Transportation
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Ranking Member Greg Walden Committee on Energy and Commerce 2322 Rayburn House Office Building Washington, DC 20515

Ranking Member Maria Cantwell U.S. Senate Committee on Commerce, Science, and Transportation 425 Hart Senate Office Building Washington, DC 20510

Ranking Member Cathy McMorris Rodgers Committee on Energy and Commerce Subcommittee on Consumer Protection and Commerce 2322 Rayburn House Office Building Washington, DC 20515

Ranking Member Tammy Duckworth U.S. Senate Committee on Commerce, Science, and Transportation Subcommittee on Transportation and Safety 425 Hart Senate Office Building Washington, DC 20510

RE: Investigation needed into Kia and Hyundai for hundreds of car fires

Dear Chairs and Ranking Members:

The Center for Auto Safety ("the Center") requests Congressional action to save American lives and preserve property by holding Kia and Hyundai responsible for failing to recall and repair millions of vehicles which can burst into flames when being operated as intended. The Center has counted over 300 "non-collision" fires in just 5 makes and models of these manufacturers' vehicles over a small period of years. These figures are far out of proportion with similar size and class vehicles made during the same period.

Instead of presenting the public a solution for these fires, or a satisfactory explanation, or simply taking responsibility for continuing to sell what appear to be defective engines, both manufacturers have recalled fewer than 10% of the potential fireprone vehicles and hoped no one would ask about the rest. These companies are imitating ostriches to such an extent they refused to participate in a Senate Commerce Committee hearing on November 14, 2018 to explain exactly how they will address this serious situation. From 2010 until 2015 Kia and Hyundai sold at least 2,924,893 vehicle models which, based on independent analysis and victim reports, seem particularly prone to non-collision fires. Recently, the companies acknowledged there are additional millions of Hyundai and Kia vehicles experiencing engine failure, a frequently cited precursor to fire events, yet they have refused to recall almost any of these vehicles to address the risk of fire. Because Kia and Hyundai appear to be refusing to protect consumers, the United States government must.

The Center asked the National Highway Traffic Safety Administration (NHTSA) to do just this last June. The Center petitioned NHTSA to open an investigation into these fires on June 11, 2018.³ Yet, as of this writing, 9 months later, NHTSA has taken no formal action to convince the driving public that their Kia or Hyundai⁴ vehicle will not spontaneously catch fire while being driven. Since both the private sector and the Executive Branch, and the 114th Congress failed to resolve this situation, the Center for Auto Safety calls on *this* Congress to use its oversight and investigatory authority to protect everyone on the road from these dangerous fires.

The Center, founded in 1970, is an independent, non-profit, member-driven consumer advocacy organization dedicated to improving vehicle safety, quality, and fuel economy for our members and all drivers, passengers, and pedestrians across the county. Over the last five decades the Center has focused on advancing safety technology for consumers from airbags to back-up cameras, and from electronic stability control to automatic emergency brakes. We have also been at the forefront of protecting consumer rights, from advocating for lemon laws in every state to fighting to see recall repairs be made free of charge to consumers.

Our history of fighting to protect consumers in, and around, their cars, has shown time and again the danger of car fires. Whether it was Jeep rear fuel tank fires which have so far claimed the lives of at least 75 Americans, or GM C/K fires which have been implicated in at least 1,000 deaths, or Ford Crown Victoria fires which killed or severely burned dozens of police officers and civilians, each lost life was an unnecessary and

¹ Approximate number of 2011-2014 Kia Optima, Kia Sorento, Hyundai Sonata, and Hyundai Santa Fe and 2010-2015 Kia Soul vehicles which have been sold. *See* www.carsalesbase.com as of Feb. 1, 2019.

² See https://www.hyundainews.com/en-us/releases/2696 and https://www.autosafety.org/wp-content/uploads/2019/02/Kia-recall-statement.pdf.

³ https://www.autosafety.org/wp-content/uploads/2018/06/Center-for-Auto-Safety-Kia-Hyundai-Fire-Defect-Petition.pdf.

⁴ Hyundai Motor Group is the corporate parent for both Hyundai Motor Company and Kia Motor Corporation. The vehicles made by the two brands frequently share parts and designs. However, how the vehicles are sold, marketed, and recalled varies.

preventable tragedy. While there has been only one reported death associated with these vehicles,⁵ Congressional action does not require waiting for a higher body count.

Background

Theta II Engine Recalls

In September 2015, Hyundai issued a recall of 470,000 2011-2012 Sonata vehicles due to catastrophic engine failure. Despite this recall the complaints continued to mount. Less than two years later, on March 31, 2017, Hyundai and Kia added 1.1 million additional vehicles in two recalls intended to address the catastrophic engine failure issue bringing the total to over 1.6 million recalled vehicles. There are media reports that the U.S. Department of Justice has opened a criminal probe into the recall, and that the South Korean government recently conducted a related raid.

The defect in these "Theta II" engines caused debris to be spewed from the engine resulting in prematurely worn bearings, engine seizures, or thrown rods. In other words, debris flying around the engine block was making the vehicles inoperable.

As the recall announcement stated at the time:

Description of the Defect: Metal debris may have been generated from factory machining operations as part of the manufacturing of the engine crankshaft which may not have been completely removed from the crankshaft's oil passages during the cleaning process. In addition, the machining processes of the crankpins caused an uneven surface roughness. As a result, the metal debris and uneven surface roughness can restrict oil flow to the bearings, thereby increasing bearing temperatures causing premature bearing wear. A worn connecting rod bearing will produce a cyclic knocking noise from the engine and may also result in the illumination of the engine warning lamp and/or oil pressure lamp in the instrument panel. If the warnings are ignored and the vehicle is continued to be driven, the bearing may fail and the vehicle could stall while in motion.⁹

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⁵ <u>https://www.abcactionnews.com/money/consumer/taking-action-for-you/mother-watches-son-burn-to-death-in-kia-fire-calls-for-answers-from-car-maker.</u>

⁶ https://static.nhtsa.gov/odi/rcl/2015/RCLRPT-15V568-9490.PDF.

⁷ Kia Recall 17V-224: https://static.nhtsa.gov/odi/rcl/2017/RCLRPT-17V224-7544.PDF, Hyundai Recall 17V-226: https://static.nhtsa.gov/odi/rcl/2017/RCLRPT-17V226-4558.pdf. In these later recalls, it was the 2011-2014 Kia Optima, 2012-2014 Kia Sorento, 2011-2013 Kia Sportage, 2013-2014 Hyundai Sonata, and the 2013-2014 Hyundai Santa Fe Sport vehicles involved.

⁸ Hyunjoo Jin & David Shepardson, <u>Reuters</u>: *Hyundai shares skid as U.S. prosecutors probe Hyundai car recalls*, Nov. 21, 2018, at: https://ca.reuters.com/article/businessNews/idCAKCN1NQ0OR-OCABS and Reuters: South Korean prosecutors raid Hyundai's office in recall probe: Chosun Biz, Feb. 19, 2019, at: https://ca.reuters.com/article/us-hyundai's office in recall probe-chosun-biz-idUSKCN1Q9071.

⁹ See infra at FN 7.

It is vital to note that the recall announcement regarding the engine debris in Kia and Hyundai vehicles did NOT mention the words "fire," "smoke," or even use the amorphous term "thermal event." Yet, when the Center began asking questions about these same vehicles catching fire while being driven, both companies, through NHTSA, pointed to the existing recall repairs (from 2015 and 2017) as providing solutions to a problem they had failed to previously identify. ¹⁰

Many published reports noted that the common thread for these vehicles was the engine type which was used in all of these make and models. This "Theta II" engine to remains in use through the 2019 production line of many Kia and Hyundai vehicles. 12

Initial Center Petition

On June 11, 2018, the Center petitioned NHTSA to open a Defect Investigation into 2011-2014 Kia Optima, Kia Sorento, Hyundai Sonata, and Hyundai Santa Fe vehicles for non-collision fires. The Center initiated this request because of the excessive number of non-collision related fires that the owners and operators of these vehicles had suffered as compared to similar class and model year vehicles from other manufacturers. The figures for complaints were calculated from data collected by the Center as well as complaints submitted to NHTSA by the public.

As of June 11, when the Center filed the initial petition, at least 120 owners had reported that their 2011-2014 Optima, Sorento, Sonata, or Santa Fe caught fire without a preceding collision.¹⁴ The first complaints of this hazard dated back to 2010. There were also 229 separate complaints regarding melted wires in the engine bay, smoke, and burning odors, indicating potential fires. The vast majority of complaints which discussed the origins of the vehicle fires stated that smoke and/or flames were first seen emanating from the engine bay, then the car was quickly engulfed.

Unfortunately, most, if not all, auto manufacturers occasionally produce vehicles that catch fire. Usually, these sort of fires are a result of collisions, though occasionally the Center sees reports of an individual vehicle catch on fire without obvious external cause. However, when comparing these Hyundai and Kia vehicles to other similar vehicles, there was enough of a statistical disparity to suggest a systemic issue. The large

https://www.commerce.senate.gov/public/ cache/files/67ef89df-bd82-443f-9308-2d92019b9de5/31DA9E1572023E0F644CBF5AA7417F7C.rm-nelson-kia-hyundai-response---6-26-18.pdf.

¹¹ https://www.autonews.com/article/20181121/OEM11/181129921/u-s-prosecutors-investigate-hyundai-kia-vehicle-recalls-report-says.

¹² See: https://www.blumenthal.senate.gov/download/hma-response-to-sen-blumenthal-021519 and https://www.blumenthal.senate.gov/download/kia-response-to-blumenthal-constituent-concerns-letter-only, wherein Hyundai on February 15, 2019 notes that the 2011-2013 Tucson is being subjected to a recall for similar issues.

¹³ https://www.autosafety.org/wp-content/uploads/2018/06/Center-for-Auto-Safety-Kia-Hyundai-Fire-Defect-Petition.pdf.

¹⁴ Data from NHTSA's public facing database which is available at www.safercar.gov. See also the Center's compilation of the NHTSA data at: http://www.autosafety.org/wp-content/uploads/2019/02/All-NHTSA-Fire-Complaints-in-Subject-Vehicles-as-of-2-26-2019-Data.xlsx.

number of fires, and the risk that car fires presents, indicated to the Center that a formal investigation into the cause, (or causes) along with an effort to find a repair as soon as possible was needed and would need to be conducted by NHTSA.¹⁵

Petition Addendum

On July 24, 2018, the Center amended its original petition to NHTSA to request the additional inclusion of 2010-2015 Kia Soul vehicles in the investigation. ¹⁶ Despite not being a part of the original recalls from 2015 or 2017, the Center had found that 2010-2015 Souls were also catching fire at an alarming rate.

Specifically, the Center had found 23 reports of non-collision related fires affecting Kia Soul model years 2010-2015 as of July 23 in NHTSA's database. This volume of fire incidents would be concerning for any vehicle but was especially alarming because of the Soul's relatively small population size. At that time, the Center requested NHTSA act swiftly, as the fire issues plaguing Optima, Sorento, Sonata, and Santa Fe vehicles remained unaddressed, by either the manufacturers or NHTSA.

NHTSA Document Requests

Documents posted to NHTSA's Defect Petition Review file (DP18-003) indicate that on September 18, 2018, the agency requested information from 6 major vehicle manufacturers related to car fires. ¹⁷ No information has been made public about the responses to these requests. In fact, it is unknown whether the requests were answered by any of the manufacturers. It is known that Kia and Hyundai were granted separate extensions for submitting their answers suggesting, at the very least, they were unable to meet the original deadline. ¹⁸

NHTSA Misses Deadline

NHTSA's defect petition regulation at 49 CFR § 552.8 requires the agency grant, or deny, such petitions within 120 days. Accordingly, on October 12, 2018, the Center having received no formal response from NHTSA regarding its petition for a defect investigation, publicly called on Kia and Hyundai to recall all 2.9 million vehicles in question.¹⁹

¹⁵ See Exhibit C, "2011-14 Competitor Fire Complaints," reviewing VOQ data on Toyota Camry and Highlander, and the Honda Accord and Pilot in 2011-14 model years. Excel spreadsheet available for download via the following link: http://www.autosafety.org/wp-content/uploads/2018/06/2011-14-Competitor-Fire-Complaints-FINAL.xlsx.

¹⁶ https://www.autosafety.org/wp-content/uploads/2018/06/Center-for-Auto-Safety-Addendum-to-June-11-2018-petition-regarding-Kia-Hyundai-fires.pdf.

¹⁷ See, e.g. NHTSA letter to Honda: https://static.nhtsa.gov/odi/inv/2018/INIM-DP18003-73483.pdf

¹⁸ https://static.nhtsa.gov/odi/inv/2018/INRE-DP18003-73818.pdf and https://static.nhtsa.gov/odi/inv/2018/INRE-DP18003-73959.pdf.

¹⁹ https://www.autosafety.org/center-for-auto-safety-demands-recall-of-2-9-million-2011-2014-kia-and-hyundai-vehicles-after-almost-one-non-collision-fire-report-every-day-for-four-months/.

The Center believes it is necessary for the manufacturers to take this action because the nation has seen far too many preventable deaths from manufacturers delaying recalls and did not want to see such an occurrence in this situation. This is particularly true in the case of fire deaths. Moreover, the Center found reports of almost one Kia and Hyundai non-collision fire every single day across these five models over the four-month period between June and October 2018. This was an 85% increase in complaints since the Center's initial petition.

Other than acknowledging receipt of the Center's petition,²⁰ NHTSA has not officially responded to the Center's request. Thus, the agency missed the 120-day deadline for the Center's original June 11 petition, as well as the deadline associated with the Center's supplemental petition.

U.S. Senate Hearing Invite

In October 2018, the Senate Commerce Committee invited Kia and Hyundai to send representatives to a public hearing to discuss the growing number of non-collision fires in their vehicles and their plans for addressing the growing issue.²¹ The hearing was tentatively scheduled for November 14, 2018. Media reports indicated both manufacturers were going to refuse to attend the hearing.²² These reports apparently were accurate as no hearing was conducted. No additional information was made public regarding the circumstances, nor were any answers ever provided to Kia and Hyundai owners about why their cars are catching on fire at an alarming rate.

Re-Recall & Service Campaign

On December 19, 2018, mere days before Christmas and on the eve of a potential government shutdown, Kia finally acknowledged it had a problem and submitted the paperwork to NHTSA to undertake a recall of 68,000 total vehicles because there was a risk of them catching on fire.²³ This represents only 4% of the universe of 2011-2014 Kia Sorento, Kia Optima, and 2010-2015 Kia Soul vehicles that were originally at issue in the Center's petition.

The recall focused exclusively on those 2011-2014 Optima, 2012-2014 Sorento and 2011-2013 Sportage vehicles that had been previously recalled by Kia in 2017 for the engine debris issue – and had the engine replaced.²⁴ In other words, the vehicles where

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²⁰ https://static.nhtsa.gov/odi/inv/2018/INDA-DP18003-73078.pdf.

²¹ David Shepardson, <u>Reuters:</u> *U.S. Senate panel wants to question Hyundai, Kia over engine fire reports*, Oct. 17, 2018, at: https://www.reuters.com/article/us-usa-autos-safety/u-s-senate-panel-wants-to-question-hyundai-kia-over-engine-fire-reports-idUSKCN1MR2OG, and Benjamin Raven, MLive.com: https://www.mlive.com/auto/index.ssf/2018/10/hyundai_kia_ceos_asked_to_appe.html.

²² Jackie Callaway, <u>ABC Action News:</u> *KIA, Hyundai CEOs refuse to attend Senate hearing to explain cause of car fires*, Nov. 8, 2018 at: http://amp.abcactionnews.com/3084425302/kia-hyundai-ceos-refuse-to-attend-senate-hearing-to-explain-cause-of-car-fires.html.

https://static.nhtsa.gov/odi/rcl/2018/RCLRPT-18V907-3425.PDF.

²⁴ https://static.nhtsa.gov/odi/rcl/2018/RMISC-18V907-8759.pdf.

Kia had replaced engines because of a risk of the engines seizing were now being recalled because:

The remedy for the previous recall may not have been properly performed, and in some cases, the high-pressure fuel pipe may have been damaged, misaligned or improperly torqued during the engine replacement procedure, allowing fuel to leak. Leaking fuel increases the risk of fire.²⁵

Yet, in this limited recall Kia did not account for the hundreds of reports of fires for vehicles that either were not part of the original engine debris recall or were recalled to be inspected only and did not have their engine replaced. The Center's research has found significantly more reports of non-collision fires in relevant Kia and Hyundai vehicles in which there was no-engine replacement than those in which engine replacements were performed. (See Center for Auto Safety's Investigator Suggests *Inspection is not Enough* section below).

On January 11, 2019, with NHTSA's enforcement division still shutdown because of a lapse in appropriated funds, (and because Department of Transportation leadership determined that administering defect recalls was not an imminent threat to the safety of human life or protection of property)²⁶ Kia announced its limited recall to the public. Simultaneously, Kia also announced a "product improvement campaign," for over 1.6 million 2011-2018 Optima, 2012-2018 Sorento, and 2011-2018 Sportage vehicles. This campaign involves a "software update" to all of these vehicles and the installation of a sensor that will detect whether a consumer's vehicle is "knocking" – often a precursor to the spewing debris that has led to hundreds of non-collision fires. If the sensor detects the knocking it will shift the vehicle into "Limp Home Mode," which will immediately reduce the vehicle's speed and revolutions per minute no matter what situation the vehicle is being operated under.²⁷

This "product improvement campaign," is not a recall in name or substance. Most importantly, it does not attempt to address the problem of these vehicles (made over an 8year production period) catching on fire while being driven. All it does is place a sensor in vehicles that are in danger of catching on fire and then put them back on the road in the hopes that by having the vehicle "Limp Home" it will not catch on fire. Moreover, while Kia has said it will make this "improvement" for free for the life of the vehicle, there is nothing to prevent the company from choosing to rescind any part of this campaign at any time.

Unlike a recall, product improvement campaigns (sometimes called "technical service bulletins" in the industry) have no reporting requirements or notification requirements. Accordingly, there will be no accounting to NHTSA or the public as to

²⁵ Id.

²⁶ U.S. DOT, Operations During a Lapse in Annual Appropriations Plans by Operating Administration, Dec. 2018, revised Jan. 11, 2019, at:

https://www.transportation.gov/sites/dot.gov/files/docs/mission/budget/328471/dot-shut-down-planupdated-01-14-2019.pdf.

²⁷ http://www.autosafety.org/wp-content/uploads/2019/02/Kia-recall-statement.pdf.

how many of the 1.6 million vehicles in question receive this "improvement." There will be no public record required when one of these vehicles is sold as to whether the "improvement" was made. Both of these distinct differences from a recall are likely to be crucial missing pieces of information for victims and investigators as these vehicles continue to catch on fire in the years ahead.

It should be noted that Hyundai took a similar but even less honorable path than Kia, by submitting their recall information for 100,000 vehicles relating to poor engine replacement under the 2017 engine recall <u>during</u> Christmas week – and during the NHTSA shutdown.²⁸

On December 28, 2018, Hyundai notified NHTSA it would be issuing a recall of 100,000 2013-2014 Santa Fe and 2011-2014 Sonata vehicles for essentially the same reasons as Kia's recall letter from the week prior.²⁹ The recall letter to NHTSA acknowledged the same problems as Kia (improperly performed engine replacements) and ignored the same issues as Kia (not addressing the fires in the vehicles which had not been recalled – or had not had new engines installed). Hyundai also chose to announce the recall publicly on January 11, 2019. Similarly, the recall represented only 8% of the universe of 2011-2014 Hyundai Sonata and Hyundai Santa Fe vehicles that were originally at issue in the Center's petition.

Hyundai, like Kia, also announced a product improvement campaign to install sensor technology that would detect knocking and move the vehicles into Limp Home Mode. Hyundai's non-recall campaign covered even more vehicles, with over 2 million 2011-2018 Sonata and 2013-2018 Santa Fe Sport vehicles eligible for the software update.

Meanwhile, in the real world, Kia and Hyundai continue to ignore the hundreds of consumers who have had non-collision fires in vehicles not covered by their re-recalls. The firms have generally refused to compensate consumers who bought these defective vehicles despite a record replete with fires involving these models and model years. This has left many innocent consumers as victims held responsible for paying off a loan for a car that has, through no fault of their own, literally burned up by the side of the road. Almost all of these victims must obtain new transportation to get to work or care for family members.³¹ It should go without saying that an engine sensor for their burned-out shell of a car is not going to be of much help.

Center for Auto Safety's Investigator Suggests Inspection is not Enough

As a result of a lack of response from either Kia, Hyundai, or NHTSA on the issues raised by the Center in our petition, the Center engaged ARCCA, Inc., an

²⁸ https://static.nhtsa.gov/odi/rcl/2018/RCAK-18V934-9678.pdf.

²⁹ Id.

³⁰ https://www.hyundainews.com/en-us/releases/2696.

³¹ Alanis King, Jalopnik: *Woman Says She's Still on the Hook for Car Payments After Her Kia Soul Went Up in Flames*, June 23, 2018 at: https://jalopnik.com/woman-says-she-s-still-on-the-hook-for-car-payments-aft-1827757752.

independent forensic fire expert to inspect some of the vehicles at issue.³² In particular, the Center was interested in vehicles which had been subject to one of the previous engine debris recalls and subsequently caught on fire.

After inspecting two 2012 Kia Sorento vehicles which had burst into flames on opposite sides of the country, (California and Connecticut) the fire investigator was able to confirm that the origin of the fire in the California Sorento was the center rear of the engine compartment, between the engine and the bulkhead. "The cause of the fire was likely ignition of the engine oil by the hot exhaust components after a catastrophic engine failure caused a breach in the side of the engine. The fire was related to a Kia Safety Recall Campaign SC147."³³

The California 2012 Kia Sorento had been subject to the Kia Safety Recall Campaign SC147, and had received the remedy as recommended by Kia, which was not for the vehicle to have its engine replaced, but merely inspected. This inspection took place on July 7, 2017.³⁴ Upon "passing inspection," the vehicle was returned to service, and 15,000 miles later (after yet another routine service visit) caught on fire. It is important to note that Kia's (and Hyundai's) rationale for the January 2019 re-recall being limited only to those vehicles previously under the engine debris recall which had a potentially improperly performed engine replacement, was that those were the vehicles which were at risk of catching on fire. The 2012 Sorento that the Center had inspected, had been covered by the recall, had been inspected and had not had its engine replaced – yet still caught on fire. This result suggests to the Center that "improperly performed" engine replacements are not the sole cause of these engine fires

Additionally, the Center had ARCCA inspect a 2012 Kia Sorento fire in Connecticut. The origin of the fire in the 2012 Kia Sorento was also in the engine compartment.³⁵ In this instance the vehicle, which was purchased from a Kia dealer, had its engine replaced under warranty due to a low-end rod knock – prior to the 2017 recalls.

Shortly after the engine replacement, the technicians found that the transmission would not engage, and so they also replaced the transmission under warranty. In June of 2016, there was an oil leak and the oil pan gasket was replaced. In July of 2016, it was discovered that the vehicle had a blown transfer case and seized intermediate shaft bearing and worn CV axle. These components were replaced at that time, also under warranty. In July of 2017, with 53,560 miles on it, the engine was inspected per the SC147 recall campaign. The vehicle passed the test, and no further repairs were done at that time. There were other complaints of oil leaks, and the last record provided indicates that in June of 2018, with 65,445 miles, the timing cover and oil pan had to be resealed to address oil leaks.³⁶

³² https://arcca.com.

³³ http://www.autosafety.org/wp-content/uploads/2019/02/ARCCA-Kia-Sorento-Fire-Investigations.pdf.

³⁴ Id.

³⁵ Id.

³⁶ Id.

In the instance of the Connecticut 2012 Sorento fire, it would appear that the vehicle had a history of oil leaks. This, as opposed to the engine replacement, which took place prior to the SC147 recall, may have been responsible. The forensic investigator, based on the information available at the time of the inspection noted that the cause was "undetermined."37

However, even this limited universe of inspections suggests that there is something beyond issues with the original engine replacement and repairs relating to the cause of these fires. Moreover, in the cases of both Sorento fires, the vehicles had been brought into dealerships for inspection similar to the concept of the "product improvement campaign." While the "knock sensor" was not available at the time, it should provide nothing but cold comfort for those who own the vehicles subject to the "improvement" that the manufacturers' solution to their engine problem is performing an inspection which has failed, repeatedly, in the past.

Whistleblower Suggests Kia Knew it had a Problem

In late December 2018, a whistleblower came forward to regarding Kia's prior knowledge of the defect causing these non-collision fires. Jason Vaughn, a former Warranty Auditor, Dealer Claims Adjuster and District Parts & Service Manager for Kia Motors of America, shared his story with Center for Auto Safety as well as Jackie Callaway, of ABC Action News (WFTS) in Tampa, Florida.³⁸

Mr. Vaughn asserted that Kia was well aware that the Gas Direct Injection engines (such as the Theta II) used in the 2011-2014 Optima, 2012-2014 Sorento and 2011-2013 Sportage vehicles were prone to non-collision fires because of a poor process direction from Kia to its dealers regarding what type of parts should be used when repairing the vehicles under the 2017 recall.³⁹

In sum, Mr. Vaughn stated that when the engines were being replaced under the 2017 engine debris recall "one-time only" use parts were not replaced, particularly those related to the High Pressure Pump & Fuel Tube. 40 This was exactly the area that both Kia and Hyundai would later point to as needing to be re-recalled, because of "improperly performed" service the first time the vehicles were recalled.

Mr. Vaughn claims he raised these issues to Kia management, but instead of being thanked for bringing this serious safety issue to their attention, he was reassigned and then ignored. Mr. Vaughn has since resigned his position and registered with the Securities and Exchange Commission as a whistleblower.

³⁷ Id.

³⁸ Jackie Callaway, <u>ABC Action News:</u> Former Kia worker blows whistle on car fires and repairs: "Peoples lives are at risk," Jan. 21, 2019 https://www.abcactionnews.com/news/local-news/i-teaminvestigates/former-kia-worker-blows-whistle-on-car-fires-and-repairs-peoples-lives-are-at-risk.

³⁹ https://www.linkedin.com/pulse/kia-fires-explained-jasonvaughn/?published=t&fbclid=IwAR1TXty473TPM_J959NzhG7z210s48-ZMCdrxNWzm5P7B0k-GAOwbV0N Ms.

⁴⁰ Id.

These claims, which came to light *prior* to Kia and Hyundai end of year re-recall announcements raise serious questions about when the companies knew of these systemic issues regarding the fuel-pump fires and what impact Mr. Vaughn's going public about them had on the re-recall announcement. Further, as Mr. Vaughn notes, the remedy outlined in the re-recall does not entirely address the issue of one-time use parts being reused, improper installation of replacement parts, or fire-suppression issues relating to the likelihood of a leaking fuel line.⁴¹

Independent Analysis Finds There Really Are More Non-Collision Fires in Kia and Hyundai Vehicles

On January 22, 2019, one of the leading independent auto testing organizations in the United States, the Insurance Institute for Highway Safety's Highway Loss Data Institute, (HLDI)⁴² released the details of a study it had conducted into certain Hyundai and Kia models bursting into flames in non-collision situations.⁴³ HLDI chose to undertake this study because of the Center's petition to NHTSA in June 2018.

HLDI's findings confirmed the Center's position that at least four of the identified Kia and Hyundai vehicles were suffering non-collision⁴⁴ fires at higher rates than their competitors:

HLDI found that rates of noncrash fire claims were significantly higher for the 2011-13 Kia Optima and Hyundai Sonata than for other midsize sedans. The 2011-15 Kia Sorento, 2012 Hyundai Santa Fe and the 2013-14 Hyundai Santa Fe Sport also had higher noncrash fire claim rates than other midsize SUVs. 45

HLDI's analysis found that the studied vehicles with 2.0-liter turbocharged engines had the highest frequency of noncrash fires while the "2.4-liter engine also had an elevated noncrash fire claim frequency." These type of engines in the studied Hyundai and Kia vehicles were part of the suspect "Theta II" family of engines. 47

Conclusion

Car fires can be deadly or cause serious injuries. Even in circumstances where luck provides victims a path to safety, car fires cause significant property damage often leaving consumers owing money for a vehicle which has literally been burned to a crisp.

⁴¹ Id.

⁴² https://www.iihs.org/iihs/about-us.

⁴³ https://www.iihs.org/iihs/news/desktopnews/study-of-hyundai-kia-fires-points-to-small-and-turbocharged-engines.

⁴⁴ "Noncrash" in HLDI's terminology.

⁴⁵ Id.

⁴⁶ Id.

⁴⁷ Id. HLDI noted that the Kia Soul, the subject of the Center's petition addendum, and the vehicle in which the Kia fire death was suffered, used a different type of engine.

In the present circumstances, Kia and Hyundai are refusing to fix a potentially deadly problem with their vehicles, despite independent analysis confirming that this is not a common occurrence for other manufacturers. They refuse to acknowledge the problem is a manufacturing defect. They have refused to explain why to Congress, and NHTSA's political leadership has refused to force the companies to take any action.

In the interest of the safety of those who drive these Kia and Hyundai vehicles and those who share the road with them, we urge this Congress to investigate why these manufacturers have refused to address this problem and why the agency responsible for overseeing highway and traffic safety has allowed such continued malfeasance.

On behalf of the Center for Auto Safety and our members, thank you for your attention to this important matter.

Sincerely,

Jason Levine Executive Director

cc: Honorable Kathy Castor

for Ince

Honorable Marc Veasey

Honorable Robin L. Kelly

Honorable Tom O'Halleran

Honorable Ben Ray Luján

Honorable Tony Cárdenas

Honorable Lisa Blunt Rochester

Honorable Darren Soto

Honorable Bobby Rush

Honorable Doris Matsui

Honorable Jerry McNerney

Honorable Debbie Dingell

Honorable Fred Upton

Honorable Michael Burgess

Honorable Robert Latta

Honorable Brett Guthrie

Honorable Larry Bucshon

Honorable Richard Hudson

Honorable Earl "Buddy" Carter

Honorable Greg Gianforte

Honorable John Thune

Honorable Roy Blunt

Honorable Ted Cruz

Honorable Deb Fischer

Honorable Dan Sullivan

Honorable Cory Gardner

Honorable Marsha Blackburn

Honorable Shelley Moore Capito

Honorable Mike Lee

Honorable Ron Johnson

Honorable Todd Young

Honorable Rick Scott

Honorable Amy Klobuchar

Honorable Richard Blumenthal

Honorable Brian Schatz

Honorable Edward Markey

Honorable Tom Udall

Honorable Gary Peters

Honorable Tammy Baldwin

Honorable Jon Tester

Honorable Kyrsten Sinema

Honorable Jacky Rosen

Heidi King, Deputy Administrator, NHTSA

Seungkyu (Sean) Yoon, President and CEO, Kia Motors America

William Lee, President and CEO, Hyundai Motor North America