

DAIMLERCHRYSLER

November 23, 2004

Clarence Ditlow
Lindsay Holden
Center For Auto Safety
1825 Connecticut Avenue, NW Suite 330
Washington, DC 20009-5708

DaimlerChrysler Corporation

Dear Mr. Ditlow and Ms. Holden:

I am in receipt of your letters dated October 12, 2004 and October 21, 2004, regarding alleged oil sludge problems reported to the Center for Auto Safety by owners of model year 1998-2002 Dodge Stratus, Dodge Intrepid, Chrysler Concorde, and Chrysler Sebring vehicles with 2.7-liter V-6 engines. Your letters follow-up correspondence originally sent by your office on August 26, 2004. In all of your communications, you take the position that DaimlerChrysler Motors Company LLC should issue some type of vehicle-wide extended warranty to cover engines in vehicles having 2.7-liter V-6 engines.

It is the position of DaimlerChrysler that an individualized, rather than a vehicle-wide approach is the only way to ensure fairness to both consumers and the company. The need for an individualized assessment is demonstrated by the reports of engine failure made by the 393 specific complainants listed in your most recent correspondence. The individuals set forth in your letters appear to include some: within the warranty period; outside the warranty period; with DC Service Contracts; with non- DC service contracts; without service contracts at all; with and without a substantiated maintenance history; original owners; owners who bought the vehicle used, etc. With such a wide variety of individuals, the only way to address the issue set forth is through a case-by-case evaluation.

Your communications have also expressed concern that claims of engine failure by consumers who purchased extended service contracts are not being covered under those contracts. However, many of the consumers you list do not appear to have purchased a service contract issued by DaimlerChrysler. A case in point is that of Rebecca Horton of Villa Park, IL. You report that Ms. Horton purchased a "SmartChoice 2000" extended service contract. This extended service contract is not issued by DaimlerChrysler. Our records indicate that DaimlerChrysler neither inspected Ms. Horton's vehicle, nor reviewed the records described in your correspondence. What DaimlerChrysler records do indicate is that when Ms. Horton called our company she asked for assistance based on the fact that "SmartChoice 2000" had gone out of business. In this circumstance, a response from the Call Center that no assistance would be provided for her third party service contract.

On an individualized basis DaimlerChrysler has always considered, and is willing to continue to consider, all requests for assistance. When a consumer makes a request for assistance, the customer must take his vehicle to an authorized DaimlerChrysler dealership for diagnosis and analysis. During this visit, a physical inspection of the

vehicle will be performed, and information will be gathered from the consumer regarding the maintenance and use of the vehicle. Individualized decisions about coverage under extended service contracts are based on the outcome of such an evaluation. Absent such an inspection, DaimlerChrysler cannot make an informed decision regarding the service contract coverage. It appears that some of the consumers you list failed to follow through on this required procedure for obtaining coverage. For example, you indicate that Kristy Baxter of Lansing, IL was denied coverage under an extended service contract. However, according to the records of DaimlerChrysler, she has never made the necessary contact regarding the concerns you have outlined. In fact, I have searched all available databases at the company, and Ms. Baxter's name does not appear as being associated with any model-year 1999 vehicle as described in your correspondence.

You have also voiced concerns that individuals who report that they have followed prescribed maintenance by completing their own oil changes, are not receiving consideration from DaimlerChrysler. DaimlerChrysler has always allowed for the fact that some consumers do perform their own routine maintenance on their vehicles. However, when the vehicles owned by such consumers experience a problem that can be just as attributable to a lack of maintenance, as to some other problem, those consumers must demonstrate compliance with required maintenance. However, DaimlerChrysler would require sufficient information that services were performed, i.e.; oil/filter receipts and a demonstration that qualified personnel provided the service.

DaimlerChrysler again assures you that customer satisfaction is a priority. It understands your desire for a more expedient response to calls made to its customer satisfaction toll-free number, and its desire is to respond to all calls within an acceptable period of time. However, wait times do vary depending on the day and time. If the consumers on your list get an extended waiting time which they cannot tolerate, please ask them to try back on another day or at a different time. As an alternative, those consumers who have computer access can log on to Chrysler.com or Dodge.com and send an e-mail to customer assistance. We ask that you assure the consumers who have contacted you that if they do contact DaimlerChrysler through either Dodge.com or at 1-800-992-1997, we will do our best to review each case and reach a reasonable resolution.

Thank you for your cooperation in this matter.

Sincerely,



Albert P. Motta
Customer Advocate Manager