

# DAIMLERCHRYSLER

October 15, 2004

DaimlerChrysler Corporation

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

Dear Mr. Ditlow and Ms. Holden:

I am writing in response to your letter of August 26, 2004, regarding model year 1998-2002 Dodge Stratus, Dodge Intrepid, Chrysler Concorde, and Chrysler Sebring vehicles with 2.7-liter V-6 engines. In your letter you describe various reports that the Center for Auto Safety has received in which consumers stated that the engines in these vehicles have failed due to oil sludge. Specifically, you list 92 reports from consumers who reported to you that their vehicle had experienced an engine failure. The reports indicate that the vehicle mileage at the time of the reported failures ranges from as few as 18,000 miles to as much as 180,000 miles. You request that DaimlerChrysler Corporation take various actions including adoption of an extended warranty to remedy purported "engineering mistakes" that allegedly cause oil sludge in, and the eventual failure of, 2.7-liter V6 engines.

DaimlerChrysler Corporation appreciates your sharing the comments you have received from consumers regarding their experiences with these vehicles. It is DaimlerChrysler Corporation's policy to evaluate and address specific consumer concerns on an individual basis due to each consumer's unique circumstances. The failure of an engine due to oil sludge is not necessarily indicative of an "engineering mistake." Oil sludge in engines can result from a variety of factors, including a consumer's failure to follow recommended maintenance from the time of purchase forward. Damage caused by poor maintenance in a vehicle's early life often cannot be remedied by proper maintenance during the vehicle's later life. In fact, such early maintenance neglect is most likely to lead to premature engine failure down the line. In addition, DaimlerChrysler Corporation takes exception with to the characterization of this type of engine failure caused by the build up of oil sludge as a potential vehicle safety defect. It has been established that such an event will only manifest itself as a result of improper maintenance, and after considerable warning, allowing the operator to safely move the vehicle out of traffic in such cases.

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DaimlerChrysler Corporation records indicate that more than 1,070,000 model year 1998-2002 Dodge Stratus, Dodge Intrepid, Chrysler Concorde, and Chrysler Sebring vehicles with 2.7-liter V6 engines have been distributed. The 92 complaints referenced in your letter constitute a very small fraction of these vehicles.

The wide variation in mileage for the reported engine failures, coupled with the limited number of complaints, strongly suggests that individualized circumstances are a principal contributing factor to the reported engine failures. While you indicate that many of these consumers reported to you that they had followed recommended maintenance schedules, a majority of the 92 complainants referenced in your letter purchased their vehicles used. These purchasers inherited their vehicles' maintenance histories, perhaps without sufficient knowledge, information or documentation of previous maintenance and service. In addition, even the reports you reference in your letter indicate that several consumers drove their vehicles for many years and for more than the expected vehicle life as defined in many states before suffering any engine failure, e.g., Raenette Crisler/Hawkins (104,000 miles), Cheryl Huffines (124,000 miles), and Phillip Johnson (180,000 miles). Such extended usage before experiencing any engine failure supports our conclusion that it is individual vehicle issues, including maintenance practices throughout the vehicle's life, instead of an "engineering mistake," which has resulted in the reported engine failures at lower mileages.

As the reports made to the Center for Auto Safety indicate, consumer experiences with 2.7-liter V-6 engines vary widely. And, because consumer use patterns and lack of attention to routine maintenance (including by previous owners) can be the underlying cause of sludge buildup and eventual engine failure, consumer complaints must be considered on a case-by-case basis to ensure fairness to both the consumer and DaimlerChrysler Corporation. Because consumer satisfaction is DaimlerChrysler Corporation's priority, we will review again the complaints of the consumers you shared with us. Please ask them to contact DaimlerChrysler Corporation at 1-800-992-1997 and we will do our best to review each case and reach a reasonable resolution.

Thank you for your interest in this matter.

Sincerely,



Albert P. Motta  
Customer Advocate Manager