



Kia Motors America, Inc.
Corporate Headquarters
111 Peters Canyon Road, Irvine, CA 92606-1790 USA
T 1 949 468 4800 F 1 949 468 4905

Via Hand Delivery

Senator Richard Blumenthal
United States Senate
706 Hart Senate Office Building
Washington, D.C. 20510

February 22, 2019

Dear Senator Blumenthal,

Thank you for your letter regarding questions about our customers' experiences relating to wait times associated with engine replacements. We appreciate the opportunity to share with you our current efforts to meet our customers' needs with their engine replacements and to also provide information of our policies regarding vehicle loaners.

As the highest ranked mass market brand for initial quality four years in a row according to J.D. Power, Kia's transformation is one of the auto industry's greatest success stories. Together with Kia's top five Consumer Reports reliability ranking, the Initial Quality Study (IQS) wins reflect the exacting standards and craftsmanship our team members instill into every car, crossover and SUV Kia builds.

Preliminarily, it is important to note that Kia Motors America, Inc. ("KMA") is a distribution company that imports, distributes, markets, sells, warrants and provides support to independent authorized dealerships that perform most of the repairs of interest to you. KMA does no manufacturing, design or development of Kia branded vehicles, and KMA does not itself undertake any repairs on customer vehicles.

Here are our responses to your specific questions:

- 1. Please provide all complaints you have received involving model year 2010-2015 vehicles with symptoms of loss of motive power, engine seizures, knocking noises, or other similar conditions.**

As we communicated to Jonathon Carter, Legislative Correspondent, the breadth of this request requires significant resources to both search and to redact our customer's personal information, and we cannot provide this information within the timeframe requested. We look forward to further discussing a practical solution to provide you with the requested information.

2. Will you commit to reopening your investigation and consider expanding the recall to include your Hyundai Tucson model vehicle?

This question appears to be solely directed at Hyundai Motors, and not any Kia entities.

3. Does your company still manufacture vehicles using the Theta II gasoline direct injection engine? Please explain

The following chart shows the models that are being sold as “new” in the United States that have Theta II gasoline direct injection (“GDI”) engines (whether or not currently being manufactured). Only the most recent model year of the below list are currently being manufactured. In addition, these models use Theta II GDI engines that have been improved upon those used in prior model years.

Model	MY	Model	Engine Type	Units in US	MY Total	Model Total
Optima	2018	55*	Theta II 2.0L GDI (Turbo)	5,325	94,284	157,585
		53*	Theta II 2.4L GDI	88,959		
	2019	55*	Theta II 2.0L GDI (Turbo)	4,021	63,301	
		53*	Theta II 2.4L GDI	59,280		
Sorento	2018	75*	Theta II 2.0L GDI (Turbo)	2,255	37,361	90,252
		73*	Theta II 2.4L GDI	35,106		
	2019	73*	Theta II 2.4L GDI	52,891	52,891	
Sportage	2018	45*	Theta II 2.0L GDI (Turbo)	4,966	73,088	148,807
		42*	Theta II 2.4L GDI	68,122		
	2019	45*	Theta II 2.0L GDI (Turbo)	3,687	67,612	
		42*	Theta II 2.4L GDI	63,925		
	2020	45*	Theta II 2.0L GDI (Turbo)	362	8,107	
		42*	Theta II 2.4L GDI	7,745		
Stinger	2018	H5*	Theta II 2.0L GDI (Turbo)	7,322	7,322	10,972
	2019	H5*	Theta II 2.0L GDI (Turbo)	3,650	3,650	
				407,616	407,616	407,616

4. How many vehicles with Theta II engine defects not related to active recalls are currently waiting on parts? What is the average time for these cars to be fully repaired?

As of February 6, 2019 there are 1,305 vehicles not related to active recalls that are still waiting on Theta II engine parts. Engine parts could be ordered due to defect, collision damage, or wear (natural or premature).

Repairs are done by independent authorized dealers, who do not report the time they take to conduct repairs. However a review of available warranty records indicates that in the fourth quarter of 2018, the average amount of time to complete repairs to replace Theta II engines not related to an active recall was approximately 32 days based upon repair order open and close dates. This would include time to diagnose the concern, order parts, receive parts, and complete repairs. As indicated in question 6, loaner vehicles are routinely provided to customers who are unable to use their personal vehicles during the repair period.

5. How many vehicles with Theta II engine defects related to active recalls are currently waiting on parts? What is the average time for these cars to be fully repaired?

In 2017, Kia voluntarily recalled model year 2011-14 Sorentos, Optimas, and Sportages using the Theta II engine. As of February 6, 2019, more than 70% of eligible vehicles have had the recall completed and 1,998 vehicles under active recall are still waiting on parts (engines specifically). These vehicles are not yet repaired, but the average parts backorder age for vehicles under recall is about 12 days.

Repairs are done by independent authorized dealers, who do not report the time they take to conduct repairs. However, a review of available warranty records suggests that based on the information available to us, in the Fourth Quarter of 2018, the average amount of time to complete repairs to replace Theta II engines related to an active recall was 23 days based upon repair order open and close dates. This would include time to diagnose the concern, order parts, receive parts, and complete repairs. As indicated in question 6, all Kia dealers are self-authorized to provide alternative transportation to customers as necessary for the duration of recall related repairs.

6. Does your company outline a loaner or rental care policy for defects caused by manufacturing issues? If yes, what is your company's policy for providing loaner or rental cars to consumers who have a car with an unrepaired safety defect for which parts are not yet available? Please provide a copy of your company's policies and describe when and how you make these available to your dealers and customers.

Yes. In general, all Kia dealers are self-authorized to provide up to three days of alternate transportation for any covered warranty repair, whether related to safety or not, and can seek authorization for additional support if necessary due to parts backorder, delays in diagnosis, or based upon other individual circumstances. This policy is set forth in the Kia Service Policies and Procedures Manual (SPPM) published to dealers via Kia's online dealer portal KDealer.com and is reinforced in individual Technical Service Bulletins and Warranty Bulletins

published pertaining to vehicle repairs. See the attached Substitute Transportation section of the SPPM.

With respect to the Theta II recalled vehicles, all Kia dealers are self-authorized to provide alternative transportation to customers as necessary for the duration of repairs. This information is published in the Technical Service Bulletin and associated Warranty Bulletin pertaining to the Theta II engine recall.

7. What is your policy for providing goodwill to customers whose vehicles have experienced this kind of problem, but may not be covered by a manufacturer warranty?

Each customer case is unique and is evaluated for consideration on a case by case basis to determine if goodwill can be provided based upon the vehicle's maintenance history, the physical condition of the vehicle (possible misuse, abuse or other outside influences or factors), the number of months and mileage out of warranty, etc.

Kia takes customer concerns seriously and we are proud of the integrity of our products. We are committed to a timely and successful resolution to the Theta II recall and strive to continuously improve the products we put on American roads.

Best Regards,



Greg Silvestri
Vice President, Service & Aftersale Operations

Enclosures