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Committee on House Administration Ranking Member

Committee on Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies Subcommittee on Energy and Water Development, and Related Agencies

Congress of the United States House of Representatives Washington, DC 20515

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SeungKyu (Sean) Yoon President & CEO Kia America, Inc. 111 Peters Canyon Road Irvine, CA 92606 José Muñoz President & CEO Hyundai Motor North America 10550 Talbert Avenue Fountain Valley, CA 92708

Dear Mr. Yoon and Mr. Muñoz,

I write you today to express my deep concern over the significant rise in automobile thefts in Rochester, New York, and the specific role that security flaws in Kia and Hyundai automobiles have played in this dangerous activity. This increase in thefts has created a public safety crisis in my community, as there have been numerous instances of individuals using these stolen vehicles to commit other crimes. Law enforcement resources are already strained in efforts to combat violent crime in my community, and this recent spike in car thefts exacerbates the problem by diverting resources away from where they are desperately needed.

According to the Rochester Police Department, out of the first 168 cars stolen this year, Kia and Hyundai vehicles accounted for 116 of them – a staggering 69%.¹ At the current pace, just the City of Rochester alone is on track to exceed a total 2,400 of car thefts this year, which is more than double last year's total of 1,134 stolen vehicles. According to the Highway Loss Data Institute (HLDI), the disproportionate share of stolen vehicles being Kia and Hyundai vehicles can be explained by failures to install standard immobilizing anti-theft devices for Hyundai and Kia models from 2015-2019. In 2015, for example, 96% of all other vehicles had installed these standard immobilizers, but only 26% of Kia and Hyundai 2015 models had kept pace with the rest of the industry.²

Now that instructional videos on how to steal these vehicles have become widespread on social media, insurance claims for 2015-2019 models demonstrate Hyundai and Kia vehicles are stolen nearly twice as frequently as all other manufacturers.³ The situation has deteriorated so significantly that two major auto insurance companies have already stated that they will begin limiting coverage on some of these models. In a statement to CNN, a Progressive spokesperson

¹ "In Rochester, 200 auto thefts in 25 days: How to protect your Kia or Hyundai," DEMOCRAT & CHRONICLE, <u>https://www.democratandchronicle.com/story/news/2023/01/31/kia-hyundai-thefts-on-the-rise-rochester-ny-how-to-keep-your-vehicle-safe/69840713007/</u>.

² "Hyundai and Kia theft losses," HIGHWAY LOSS DATA INSTITUTE, <u>https://www.iihs.org/media/0e14ba17-a3c2-</u>4375-8e66-081df9101ed2/opm7QA/HLDI%20Research/Bulletins/hldi_bulletin_38-28.pdf.

³ "Hyundais, Kias are easy targets amid boom in vehicle thefts," HIGHWAY LOSS DATA INSTITUTE, <u>https://www.iihs.org/news/detail/hyundais-kias-are-easy-targets-amid-boom-in-vehicle-thefts</u>.

stated that "in some markets these vehicles are almost 20 times more likely to be stolen than other vehicles."⁴ A number of class-action lawsuits against Kia and Hyundai have been filed across the country as well.

In response to this escalating situation, both Kia and Hyundai have stated they are developing software updates to enhance security and providing some steering wheel locks to local law enforcement for distribution to the public. In my community, however, the Monroe County Sheriff's Office received only "dozens" of steering wheel locks and promptly ran out of them in a matter of hours. It is my understanding the Rochester Police Department has not received any steering wheel locks, despite commitments made to the Department. There are also some concerning reports that another security solution is being sold to customers for hundreds of dollars, as opposed to being provided to customers for free by the companies who were ultimately responsible for the security flaw.

These known security flaws in Kia and Hyundai automobiles have left our community vulnerable and created a public safety crisis that demands immediate attention. I urge you to take responsibility for this alarming situation and accelerate efforts to ensure consumers are able to access security solutions free of charge. In response to this letter, I request an update from both Kia America, Inc. and Hyundai Motor North America on the status of the development of a potential software update to distribute to customers and the plan to provide additional steering wheel locks to the public. No customer should have to pay the bill for Kia and Hyundai's failure to install standard security measures on their vehicles.

Thank you for your prompt attention to this critical matter.

Sincerely,

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Joseph D. Morelle Member of Congress

⁴ "Some auto insurers are refusing to cover certain Hyundai and Kia models," CNN, <u>https://www.cnn.com/2023/01/27/business/progressive-state-farm-hyundai-kia/index.html</u>.