

February 13, 2023

The Honorable Joseph D. Morelle
United States House of Representatives
570 Cannon House Office Building
Washington, DC 20515

Dear Representative Morelle,

On behalf of José Muñoz and Hyundai Motor North America ("Hyundai"), thank you for the opportunity to respond to your inquiry regarding our ongoing efforts to enhance the anti-theft protections and options for Hyundai customers whose vehicles are not equipped with an engine immobilizer feature.¹ We appreciate and share your interest in addressing the rise in thefts of these vehicles in Rochester, New York and elsewhere.

As you note, this increase has been fueled by irresponsible social media video "challenges" which have promoted this criminal activity.² Hyundai has been actively monitoring and requesting immediate removal of videos on social media that demonstrate this theft mode for certain Hyundai vehicles. We have succeeded in having this content removed from a variety of social media platforms and we continue to monitor and seek removal of content showing this criminal activity as it reappears.

All Hyundai vehicles manufactured since November 2021 are equipped with an engine immobilizer as standard equipment.³ Hyundai has also taken several steps to enhance the security of our vehicles sold without engine immobilizers. Chief among these measures is the development and validation of a software upgrade for these vehicles to prevent the theft mode popularized on social media. We are offering this upgrade at no cost to our customers. This upgrade will be available for approximately 3,700,000 vehicles covering model years 2011-2022. This upgrade is scheduled to launch next week as a Voluntary Service Campaign. Customers will receive notification by mail when the software upgrade is available for their vehicles. The software upgrade will be rolled out in phases, with the first phase scheduled for launch on February 13 for approximately 1,100,000 vehicles. This population was selected to go first as it covers the highest-selling vehicles and those most targeted by thieves according to our discussions with local law enforcement around the country. The remaining phases are scheduled to launch by June of this year. Once the software upgrade has been installed, our dealers will also affix window decals to the vehicle to alert would-be thieves that the vehicle is equipped with enhanced anti-theft technology. We will also launch a large-scale public relations

¹ All of our vehicles comply with the anti-theft requirements of Federal Motor Vehicle Safety Standard 114.

² As recently as 2021, no Hyundai model was among the top ten most stolen at the national level according to the National Insurance Crime Bureau. See, NICB Annual "Hot Wheels" Theft Report, July 19, 2022.

³ Some of the 2022 model year vehicles manufactured prior to November 2021 were not equipped with an engine immobilizer as a standard feature.

program, including outreach through various media and social channels, to drive up completion rates quickly.

Approximately 15 % of the model year 2011-2022 vehicle population not equipped with an engine immobilizer from the factory cannot receive the software upgrade. For customers who own or lease these vehicles, we are finalizing an equitable process to reimburse them for their purchase of steering wheel locks. Our intention is to notify these customers directly of this customer satisfaction program.

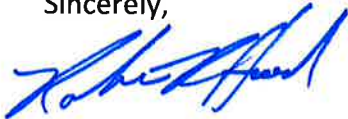
As you know, we are also continuing our existing national program to provide steering wheel locks to law enforcement free of charge for distribution to affected customers. The reception to this program has been exceptionally positive. Our process with local law enforcement is a collaborative one. We speak with each department to ensure that we understand a variety of important logistical factors and the needs of each community.⁴ In these discussions, we also confirm that we will fill subsequent orders as requested. With regard to the Rochester Police Department and Monroe County Sheriff's Office, we have confirmed that each received the steering wheel locks requested within eight days of the requests being made. We remain committed to working with these agencies and appreciate their support with this issue.

Finally, we have been in contact with insurers to apprise them of our upcoming efforts. We hope to collaborate with them to raise completion rates for the upcoming software upgrade. We are also looking into other ways to support our customers who have been denied insurance due to this theft issue so that they continue to have confidence in our vehicles.

Hyundai is committed to the security of our customers and plans to continue our ongoing support of the communities affected by this theft issue. We look forward to collaborating with you and other stakeholders to best address this concern.

Thank you for your attention to this important topic.

Sincerely,



Robert R. Hood
Vice President of Government Affairs
Hyundai Motor

⁴ These considerations include understanding how each department is equipped to receive, store, and distribute the steering wheel locks. Through this dialogue, we have found that law enforcement agencies overwhelmingly support having these delivered in lower amounts to allow for expedited shipping in boxes rather than in higher numbers on large pallets which take longer to deliver and are more difficult to store.