



December 10, 2012

Mr. John D. Rockefeller IV
Chairman
United States Senate
Committee on Commerce, Science,
And Transportation
508 Dirksen Senate Office Building
Washington, DC 20510-6125

Dear Chairman Rockefeller:

Thank you for your letter dated November 29. As you noted, Kia Motors America (Kia Motors) has instituted a comprehensive reimbursement program for affected current and former retail vehicle owners to compensate for the additional fuel costs associated with our recent MPG rating adjustments.

On November 2, Kia Motors announced voluntary corrections to the fuel economy ratings of about 300,000 2011-2013 model year Kia vehicles that were affected by the adjustments, and all current and former owners of these vehicles are eligible for the reimbursement program, which was designed to be both fair and transparent.

To provide the most accurate compensation, reimbursement is calculated using the average fuel price in each owner's area, as published by the U.S. Energy Information Administration, and actual miles driven, which must be verified at the customers' preferred Kia dealership. In recognition of the inconvenience this process causes, an additional 15-percent premium will also be added to the reimbursement amount. Current owners will be able to receive compensation for the full length of their vehicle ownership, and former owners are compensated using the same formula. The program is also available to those customers who have leased a Kia vehicle.

In your letter, you asked about Kia Motors' "plan to maximize the effectiveness and accessibility of the consumer rebate program." As part of the initial announcement, Kia Motors executives apologized publicly, and Kia implemented a proactive communication campaign to raise awareness and encourage participation in their reimbursement program. Shortly thereafter, full-page advertisements titled "An Important Message to Our Valued Owners" appeared in national newspapers such as *USA Today* and *The Wall Street Journal*, as well as daily papers in more than 25 major metro areas across the country. Additionally, Kia Motors advertised on Internet search engines Google and Bing through the use of targeted key words and launched social media campaigns on twitter and Facebook to inform consumers about the reimbursement program.

To assist our customers, we initiated www.KiaMPGinfo.com, a dedicated website, that was created and launched at the time of our announcement on November 2nd to provide consumers with complete and up-to-date information, including: an overview of the situation, vehicle eligibility, reimbursement program details and instructions, and estimated reimbursement funds affected customers can expect to receive.

Our consumer website – www.KIA.com – prominently displays a button labeled “MPG Reimbursement Program Information” which links to KiaMPGinfo.com, and a trained team of Consumer Affairs specialists continue to staff a dedicated, toll-free consumer hotline to speak directly to our customers and provide information and assistance.

In addition, we are writing to each affected owner in groups based on vehicle models and model years. A letter will be sent to every owner in Kia Motors’ database no later than December 10th, and approximately two-thirds of owners have already received a direct communication from Kia Motors containing information about the reimbursement program and registration instructions. Similar information was sent to more than 160,000 customers – the entire population of affected owners for which Kia Motors has an active e-mail address on file – via electronic mail on November 5th. A follow-up e-mail was sent nearly two weeks later to the more than 80,000 affected owners who had not yet opened the original e-mail.

Most recently, members of our U.S. management team openly discussed the MPG ratings adjustment situation and our reimbursement program with the assembled automotive media and industry observers during our press conference at the Los Angeles Auto Show on November 28th.

Our outreach also extends to our dealer body, which plays a critical role in ensuring this important customer relations matter is handled professionally, and we are communicating with them in a variety of ways to ensure they have the latest information and are encouraging their customers to participate in the reimbursement program. We provided initial notice to them essentially concurrent with the public announcement and have conducted several telephone conferences to address their questions. A portion of our existing dealer intranet site has been dedicated solely to MPG-related items to ensure our dealers have the most up to date and relevant information for them to service our customers.

Customer engagement at the dealership level is an effective way to reach customers who might have missed the announcements, ads and letters, and we are compensating our dealers for each and every mileage validation completed at each facility. In addition, we have provided the dealers with a goodwill provision payment of \$100 times their average 2012 monthly new Kia volume through October, with a guaranteed minimum payout to each dealer of \$1,000. Last week, our Service Department distributed a special video intended to help dealers further understand the reimbursement process that includes the recommendation that dealers should offer to register any unregistered customers who visit their dealership.

In your letter, you also asked about our “plans to monitor the program and to reach consumers who may not initially take advantage of it.” We have been closely monitoring customer feedback regarding our actions to date, and we are pleased by all the customers who have expressed satisfaction with our efforts and our approach. Despite the fact that the reimbursement program registration period will remain open until the end of 2013, the early response and enrollment rates have been encouraging. As noted, Kia Motors has already sent follow-up e-mail messages to those who did not review the initial message, and this spring, all affected owners who have not registered for the program will receive a follow-up letter regarding the program. Kia Motors will continue to evaluate what additional steps can be taken to ensure consumers are informed about the program.

In my view, the 15-percent inconvenience premium Kia Motors is providing as part of the reimbursement is an effective way to get our customers to participate in the program, and we sincerely hope as many of our eligible customers as possible will do so. I should also note that we have received communications from some owners who have expressed appreciation for the reimbursement program, but who have also informed us that they do not wish to participate for a variety of reasons. We respect every consumer’s right to participate or not participate in the program, as they see fit.

Kia's website and toll-free number will remain active throughout the open registration period and beyond to ensure consumers have the opportunity to learn about and participate in the program. New registrations will be accepted until December 31, 2013, but any current owner who has registered prior to that date will be eligible to receive reimbursements for future miles driven for the life of their vehicle ownership.

Kia Motors' actions manifest our commitment to taking the best possible care of our customers, and we are doing our best to make the reimbursement program attractive and accessible. It is unfortunate that the program is necessary, but I assure you that Kia Motors is fully committed to responding in a manner befitting a responsible corporate citizen, and as such, our priority is, and will remain, making things right for our customers.

I appreciate your letter and your interest in our program. If you have additional questions, please do not hesitate to contact me or our Director of Government Affairs, John Anderson, at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'Byung Mo Ahn', with a large, stylized flourish at the end.

Byung Mo Ahn
Group President and C.E.O.
Kia Motors America and Kia Motors Manufacturing Georgia

Cc: The Honorable Kay Bailey Hutchison, Ranking Member