

Dell to Recall 4 Million Notebook-PC Batteries

Fire Threat Led to Action; Problem Is Traced to Parts Manufactured by Sony Unit

By CHRISTOPHER LAWTON in San Francisco and COREY DADE in Atlanta
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Dell Inc., the world's largest personal-computer maker based on shipments, plans to recall more than four million notebook-computer batteries that can overheat and pose a fire hazard.

The Consumer Product Safety Commission said the recall is the largest computer-related recall in the agency's history. Dell and the safety agency are advising consumers to stop using the recalled batteries immediately, and contact the company for replacement.

The batteries contain storage elements called cells that were manufactured for Dell by a unit of Sony Corp., and were used with a series of Dell notebooks sold between April 2004 and July 2006. Sony is a leading supplier of lithium-ion technology to a variety of companies, including many other big PC manufacturers.

As a result, other PC vendors that use Sony cells could make similar recall announcements going forward. A Sony spokesman said the company acknowledges problems with the cells and that "we are supporting Dell in the recall." The company declined to name the other PC manufacturers to which it supplied the cells.

Dell, based in Round Rock, Texas, has received six reports of batteries overheating, resulting in property damage to furniture among other things, according to the CPSC. No injuries were reported.

But a CPSC spokesman, Scott Wolfson, said that number could rise, as the agency and Dell continue reviewing accounts submitted by consumers. The affected notebooks span the company's Latitude, Inspiron, XPS and

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WHAT TO DO

Dell says potentially affected batteries were sold with these models of Dell notebooks or separately as secondary batteries, between April 1, 2004 and July 18, 2006. Visit www.dellbatteryprogram.com or call (866) 342-0011 for more details.

Latitude: D410, D500, D505, D510, D520, D600, D610, D620, D800, D810
Inspiron: 500M, 510M, 600M, 700M, 710M, 6000, 6400, 8500, 8600, 9100, 9200, 9300, 9400, E1505, E1705
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Dell's move follows a series of smaller recalls of lithium-ion batteries, and comes at a time of intense scrutiny of the battery technology -- particularly on airplane flights. Now that lithium-ion-powered laptops and MP3 players have become favorite carry-ons for many air travelers, transportation officials are evaluating the safety risks posed on airliners and whether tighter restrictions are required. The dangers of battery-related fires in laptops aboard airlines were the subject of a page-one article in The Wall Street Journal yesterday.

Dell declined to estimate the cost of the recall. But Roger Kay, an analyst at market-research firm Endpoint Technologies Associates, put the cost at more than \$200 million, including battery, shipping and communications costs. He expects that Sony would pay the majority of that cost.

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Dell

traced the problem to Sony's individual cells that store energy in the Dell batteries. "We are initiating a very, very broad recall to make sure that we get these products out of the marketplace," says Alex Gruzen, senior vice president for Dell responsible for business. "We have put the safety of our customers first."

This is Dell's third such recall since 2001. In June, a Dell notebook burst into conference in Osaka, Japan. News of the scorched notebook quickly spread a Web sites as an aside to Dell's battered customer-service reputation.

Dell issued a similar recall in December 2005. The company recalled 22,000 in the U.S. because the batteries could overheat, presenting a fire hazard. Dell notebook batteries in 2001 for the same reason.

The latest recall affects 2.7 million battery packs sold in the U.S. and 1.4 million Dell expects to replace the majority of faulty batteries in the next few months for the company is that Dell, unlike some of its competitors that sell through : exactly who its customers are, Mr. Kay said.

Dell's normal shipments shouldn't be affected, he added, although shipments may be delayed somewhat. Dell is the largest PC vendor in the world by number shipped. In 2005, Dell sold just under 11.3 million notebooks globally, according to market-research firm IDC.

Dell said customers should visit their Web site (www.dellbatteryprogram.com) 342-0011 for more details. In the meantime, the computer can still be safely used with the battery and using the AC adapter, the company says.

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Dell isn't alone in such recalls. [Apple Computer](#) Inc. recalled 128,000 computer batteries for its iBook G4 and PowerBook G4 computers.

Following a wave of recalls in 2001 through 2004, the CPSC worked with the PC industry to create a performance standard for such batteries. Since the standard, Mr. Wolfson says the CPSC has seen the problems with notebook batteries continue, but he cites the root of the problem in how the batteries are manufactured.

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A Charged Issue

Laptop battery recalls increase...

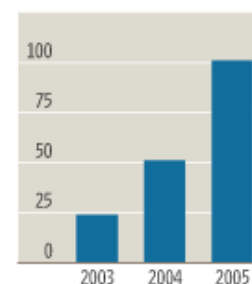
Some recent cases of rechargeable laptop computer batteries recalled due to potential fire hazard, by date

ANNOUNCED	COMPANY	APPROXIMATE NO. OF UNITS
Aug. 15, '06	Dell	2.7 million in U.S. (4.1 million world-wide)
April 20, '06	HP	4,100 (15,700 world-wide)
Dec. 16, '05	Dell	22,000 in U.S.
Oct. 14, '05	HP, Compaq	85,000 in U.S. (135,000 world-wide)
May 20, '05	Apple	128,000 in U.S.
Aug. 19, '04	Apple	28,000

Source: U.S. Consumer Product Safety Commission

As incidents grow

CPSC-reported incidents of laptop batteries overheating, smoking, or catching fire



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