

Statement of National Highway Traffic Safety Administrator Mark R. Rosekind, Ph.D. before
the House Energy and Commerce Subcommittee on Commerce, Manufacturing, and Trade

June 2, 2015

Chairman Burgess, Ranking Member Schakowsky, and members of the Subcommittee, thank you for the opportunity to provide an update on NHTSA's efforts to address defective Takata airbags. The recall of defective Takata airbags may represent the largest national consumer recall in history and it is also one of the most complicated.

First and foremost, airbags save lives. 2,388 lives were saved by frontal airbags in 2013 alone and 39, 866 lives were saved by frontal airbags since 1987. We need to make sure that people trust their airbags. All of our actions are targeted at achieving our goal, the only acceptable goal: a safe airbag in every American vehicle.

On May 19, Secretary Foxx and NHTSA took a significant step toward ensuring that airbags in all vehicles are safe. As part of NHTSA's ongoing investigation, NHTSA announced that Takata, at the agency's insistence, had filed four Defect Information Reports ("DIRs") covering an estimated 33.8 million defective airbag inflators. This action launched national recalls for all of the named airbag inflators and significantly expanded the universe of vehicles with Takata airbag inflators that were subject to recall.

The 11 affected auto manufacturers are currently scouring their records and state registrations to determine exactly which vehicles are affected, and will be providing NHTSA with specific make and model information. As soon as possible, NHTSA will make this information available so vehicle owners will know if they have a vehicle that is under recall. This may take some time, but NHTSA's VIN lookup tool located at Safercar.gov is being updated in real time as this information becomes available. Consumers are strongly encouraged to check their VIN numbers weekly on Safercar.gov to see if their vehicle is included in the expansion. Automakers are legally responsible for informing consumers, via a mailed notice, that their vehicle is subject to a recall. In addition, under the consent order announced on May 19 Takata must within 60 days provide NHTSA with plans for how it, alone and in concert with automakers, will use traditional media, new media and individual contacts to inform consumers and boost completion rates.

On May 19 and 20, after the Department of Transportation/NHTSA announcement, more than 1.5 million people conducted VIN lookup searches on Safercar.gov, including nearly 1 million on May 20 alone. At one point, Safercar.gov was the most visited website in the Federal Government

Understandably, consumers will want to know what this expanded recall means for them and what actions they should take.

If a vehicle has an open recall, consumers should call their dealer to arrange for a replacement airbag as soon as one is available. Because of the size and scope of the recall, a replacement

may not be immediately available. In order to mitigate and control the risk, and to organize and prioritize the availability of replacement airbags, NHTSA is taking steps to coordinate the remedy process among Takata, the auto manufacturers, and other airbag suppliers – something NHTSA has never done before in its history. In the meantime, consumers whose airbags are under recall may continue to drive their vehicles and should stay in contact with their dealers in order to replace their airbag as soon as replacements are available. Consumers may also check with the dealer for a free loaner or rental vehicle, as offered by some auto manufacturers, while they wait for a replacement airbag.

The four defective airbag inflator models and affected automakers included in these recalls are as follows:

Expanded Recalls

The first DIR Takata filed declares a defect in all PSDI, PSDI-4, and PSDI-4K model driver inflators. Five automakers are affected (Honda, BMW, Chrysler, Ford, and Mazda). Takata estimates that this recall covers 17.6 million inflators, 9.7 million of which are already subject to prior recalls and safety campaigns.

The second DIR declares a defect in all SPI model passenger inflators made between 2000 and 2008. Eight automakers are affected (Chrysler, Ford, GM, Daimler Trucks, Mitsubishi, Nissan, Subaru, and Toyota). Takata estimates the recall covers 7.7 million inflators, 2.8 million of which are already under recall.

The third DIR covers PSPI-L model passenger inflators in cars manufactured by Honda and Toyota. Model years vary by automaker. GM is also affected because it sold the Toyota-made Pontiac Vibe. Takata estimates 5.2 million inflators are covered, 1.1 million of which are already under recall.

The fourth DIR covers PSPI model passenger inflators in Honda Accord (Model Year 2003) and Honda Civic (Model Years 2001-2006). Takata estimates this covers 3.3 million inflators, 2.1 million of which are already subject to prior recall.

Coordinated Remedy

To deal with the extraordinary complexity of the Takata recall, NHTSA is using all of the tools at its disposal to prioritize and organize these national recalls, and to ensure the adequacy of the remedy. In addition to the defect notifications, NHTSA has issued a Consent Order to Takata. This Consent Order, among other things, gives NHTSA oversight into the company's testing, requires the company's full cooperation with NHTSA's investigation, and, importantly, gives NHTSA the ability to ensure the adequacy of the remedy so that there will be a safe airbag in every vehicle. Additionally, NHTSA has begun its own testing for oversight and to verify if the remedy is effective.

Fifteen years ago, Congress provided authority in the TREAD Act that gives NHTSA the groundwork to address the challenges and circumstances now faced in this recall. For the first time ever, NHTSA is using this authority, in conjunction with other authority under the Safety Act, to open a coordinated remedy proceeding to prioritize and organize vehicle manufacturers' recall and remedy programs related to the defective Takata airbag inflators. On Friday, May 22, 2015, the Federal Register published NHTSA's notice of intent to open this proceeding. NHTSA will shortly issue a second Federal Register notice and open a docket for public comment on a variety of issues related to the replacement of the airbag inflators. NHTSA will obtain relevant information from any and all sources regarding the availability and implementation of remedy parts and programs in a process that will be public and transparent. NHTSA also plans to hold a series of meetings to collect additional information from Takata, auto manufacturers, and airbag suppliers. It is NHTSA's expectation that this process will provide the necessary data on which to develop a plan to prioritize and organize replacement inflators.

Root Cause

By now, everyone had hoped to have a more clear understanding of the root cause of these airbag inflator failures. There are several factors that, based on incidents in the field and from lab test data, are known to lead to an increased risk of an inflator rupture. Prolonged exposure to persistent levels of high absolute humidity outside the inflator, combined with the effects of thermal cycling, may lead to moisture intrusion in some inflators over time. As a result of moisture intrusion, the propellant wafers in some of the subject inflators may experience an alteration over time, which could lead to over-aggressive combustion in the event of an airbag deployment. Takata is also aware of a potential issue with internal tape seal leaks in some inflators that could also be a source of moisture intrusion. Takata's test results and investigation indicate that the potential for rupturing may also depend on other factors, including vehicle design factors and manufacturing variability.

So while NHTSA's analysis of the data shows that prolonged exposure to hot, humid climates is associated with greater risk, the full story is not yet known and a definitive root cause has not been identified. In my recent experience as a Member of the National Transportation Safety Board, I know there may not be a single root cause, and we may in fact never know the root cause. But Boeing did not wait to find a remedy for the lithium battery in its 787 Dreamliner despite not knowing the root cause of the fire and smoke incidents that grounded the fleet. NHTSA must act to protect the driving public and ensure their airbags are safe.

That is why NHTSA is taking aggressive action to keep people safe on the road now, rather than waiting, perhaps indefinitely, to determine the root cause.

Fixing this problem is a monumental task. It will require much effort from the auto industry and demands extensive effort from NHTSA. Yet the agency must manage this enormous and necessary task with its existing people, technology, and authorities. NHTSA must accomplish

this task with a defects investigation budget of \$10.6 million, a figure that, when adjusted for inflation, is actually 23 percent lower than its budget 10 years ago.

We need your support to help us protect the safety of the American traveling public. The President has submitted a budget request that would fund significant improvements in NHTSA's defect investigation efforts, providing the people and technology needed to keep Americans safe. Secretary Foxx has proposed the GROW AMERICA Act, which would provide stable, increased funding for our agency and important safety authorities to help us in our mission, such as raising the maximum civil penalty to \$300 million. At NHTSA, we address safety risks every day. In my judgment as a safety professional, NHTSA's lack of resources is a known risk. I urge the members of the Subcommittee and your colleagues in Congress to help us address that risk and keep the traveling public safe on America's roadways.

Thank you for this opportunity to testify and I look forward to your questions.