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Hearing on

"Takata Airbag Ruptures and Recalls."

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Mr. Chairman and members of the Subcommittee, thank you for the opportunity to testify today about Takata air bag recalls. The Takata air bag defects involve a series of recalls spanning back to 2008 with multiple causes of the serious safety issue of fragmenting air bag modules. Understandably, people are concerned. I share that concern, which is why we acted quickly this year when we received new evidence of defective airbags. I welcome the opportunity to clarify the facts surrounding the different recalls of these air bags and to reassure you and the motoring public that NHTSA is pursuing its recalls and investigation of defective Takata air bags aggressively.

NHTSA's mission is safety, and we have helped reduce roadway fatalities to record lows by fighting dangerous behaviors such as impaired and distracted driving, pushing industry to make safer cars, and forcing recalls of approximately 100 million defective vehicles and items of motor vehicle equipment in the past 10 years. This year alone, we forced the largest child seat recall ever and fined automakers more than $55 million for mishandling recall requirements—bringing the total to over $160 million in the past six years.

The Takata air bag recall story is more complicated than most recalls because, to date, there have been multiple issues leading to recalls involving 10 auto manufacturers and over 10 million vehicles since 2008, more than 8 million of these vehicles remained unrepaired as of October 2014. These recalls can be broken down into three categories. The first are national recalls, along with their expansions, associated with identified manufacturing defects. The second are recent passenger side frontal air bag regional recalls—initiated by NHTSA as soon as the problem appeared—that preliminary data indicate were associated with prolonged exposure of some Takata air bags to regions of high absolute humidity (the combination of high temperatures and high relative humidity), which may be related to a manufacturing, design, or other defect not yet identified. The third are the recent driver side frontal air bag regional recalls that NHTSA has demanded become national recalls because the data no longer indicate the problem is limited exclusively to regions of high absolute humidity.

2008-2013 National Recalls

Between 2008 and 2013, Honda, along with Toyota, BMW, Nissan and Mazda, took action to recall defective Takata air bags with manufacturing problems relating to fragmenting driver's or passenger's side inflators rather than face NHTSA enforcement.[1] In 2014, Chevrolet recalled vehicles to address a newly discovered manufacturing problem. These recalls were national in scope because there was no reason to believe that they were related to factors found only in certain geographic regions. Based on our present knowledge, the defects occurred in the manufacturing process of air bags that had been installed in an identifiable pool of vehicles sold

[1] In calendar years 2008 through 2011, Honda conducted a series of recalls to address a manufacturing defect concerning driver's bag inflator ruptures on various MY 2001 through 2004 vehicles. In calendar year 2013, Honda, along with Toyota, BMW, Nissan and Mazda, initiated recalls to address a manufacturing defect concerning passenger bag ruptures in certain MY 2001 through 2004 models.

nationwide. The four deaths in the United States that have been widely reported as attributable to rupturing Takata air bags, all involving air bags associated with the national recalls that occurred prior to 2014. We are also actively looking into other claims of injury or death to determine whether they could be related to a defective air bag, either associated with these previous recalls or those in 2014.

Tragically, in at least some of the known fatalities linked to previous recalls, the air bag in the vehicle was not repaired even though the recall had begun. This loss of life is unacceptable and that is why we continue to expand our outreach to vehicle consumers through information tools like the VIN look up, recall alert smartphone applications and red letter envelope direct mailings. In addition to NHTSA's work, industry and their dealers must step up to more aggressively reach out to consumers to help them get their vehicles repaired to keep them safe. For example, NHTSA has been pushing both the automobile and child seat manufacturers to take greater steps to alert and even incentivize owners to bring in their defective products. And, as the Administration proposes in the GROW AMERICA Act, rental car companies and used cars dealers should not be allowed to rent or sell vehicles without first fixing defects.

Given our present knowledge, the recalls cited above are different from the air bag issues NHTSA identified, forced regional recalls on, and has been investigating this year. In 2014, soon after opening our investigation, NHTSA demanded, and obtained, the recall of more than four million vehicles because of evidence that air bag inflators were rupturing during crashes in geographic regions that have high levels of absolute humidity. Our concern about the threat of serious injury or worse compelled us to act very quickly.

NHTSA began looking into this issue after connecting three separate consumer complaints of air bag ruptures from three different automakers. NHTSA staff identified that these three had a common supplier and common climatic conditions, and reached out to the supplier and automakers. This helped us identify three additional incidents and two other affected automakers. All six crashes that led to the initial regional recalls occurred in Florida or Puerto Rico between August of 2013 and May 2014.

NHTSA's calls for recalls in 2014 by Honda, Toyota, Nissan, Mazda, Mitsubishi, Subaru, Chrysler, Ford, BMW, and General Motors are based on real data and a clear objective to protect those at demonstrated risk. Because of that risk and because of their use of the same or similar air bag inflators, we persuaded those 10 auto manufacturers—including some that had no field incidents—to conduct recalls of passenger-side air bags based on early, limited information to save lives and prevent injuries. We are aggressively seeking out more data to protect the public by testing the replaced air bags to see whether they rupture.

At our insistence, Takata is quadrupling testing of returned air bags, including those outside of hot and humid regions, to assist our effort to determine the full scope of the problem. We have also pressed the auto manufacturers to conduct their own testing of returned air bags. In addition, we are looking very carefully at any unusual air bag deployment incident we find that occurs in or outside of the present regions to determine whether it may involve the same, a similar, or a different defect. Finally, we are working to bring in outside expertise and secure appropriate testing facilities so we can expand the volume of and validate testing being done by the supplier and manufacturers.

The initial data related to the current regional recalls indicate that vehicles with certain Takata air bags in regions prone to long-term, high humidity and temperatures pose a risk. At this time, we are evaluating evidence to determine whether or not the same can be said for other regions or in cases where people travel to these regions. We are also evaluating the differences in the data between driver's and passenger's front air bags. Our investigation is far from over and we continue to seek and push for more information and we will take additional action as warranted.

Based on the results of testing and on field data we continue to gather, NHTSA has expanded, and will continue to expand, the geographic scope and vehicles involved in these recalls as appropriate. In fact, on Monday, November 17, 2014, my staff contacted Takata, and then followed up with Honda, Ford, BMW, Chrysler, and Mazda, to call on them to initiate a national recall for specific driver's side frontal air bags made by Takata. This decision was based on our evaluation of a recent driver's side air bag failure in a Ford vehicle outside the area of high absolute humidity and its relationship to five previous air bag ruptures of the same or similar design. On November 26, NHTSA demanded a national recall of driver side frontal air bags in writing, with a deadline of December 2nd for action on the part of Takata. If the company fails to act, NHTSA will continue the statutorially required process needed to force Takata to act.

Some have called to expand the geographic area of all the vehicles currently subject to the regional recalls. We share a deep concern for those with vehicles outside the regions of high absolute humidity, which is why we have expanded the recalls based on the data and directed Takata to work with the manufacturers to get and test air bags from other parts of the country. To date, there have been no ruptures in those tests for passenger's side front air bags, but we are pushing Takata and the manufacturers to accelerate efforts to get even more tests done around the nation, and we are evaluating field incidents as we are made aware of them. And, given the

current limitations on the supply of replacement parts, NHTSA called on Takata to speed up the production of replacement parts. In response, Takata agreed to add two production lines early next year. NHTSA has also been in communication with other air bag inflator manufacturers to assess what, if any, capability those companies have to fill the demand for replacement parts.

The regional recalls of vehicles with defective Takata passenger side air bags ensure that the limited supply of replacement parts goes to vehicles in areas of demonstrated risk – Florida, the Gulf Coast and other areas of high absolute humidity. At this point, a national recall of all Takata air bags would divert replacement air bags from areas where they are clearly needed, putting lives at risk. While a national recall of all Takata air bags is not supported by the data as we now understand it, we will continue to follow the field and testing data wherever they may lead. Let me be clear to you, Mr. Chairman, and to the Subcommittee and the American people. As we find evidence supporting the need to expand the regional recalls or to move to a national recall of all Takata air bags, we will use all of our authority as necessary to ensure that such a recall takes place.

Finally, in addition to requiring these recalls, NHTSA has taken quick and aggressive action as needed to compel the information we need from industry to protect motorists. We have issued Special Orders, which are equivalent to subpoenas under our statute, to Takata and Honda to produce documents and provide answers to our questions. We have also written Chrysler to push them to accelerate their efforts and cover the appropriate regions of high absolute humidity in their passenger side air bag recall. As our investigation advances, we will continue to use every tool available to the agency to identify the cause and scope of the malfunctioning air bags and protect the motoring public. And, if we find evidence of wrongdoing, those responsible will be

held accountable to the full extent of the authority Congress has provided to us, including but not limited to maximum civil penalties and agency orders.

Thank you again for this opportunity to testify, and I am happy to answer your questions.