

**TESTIMONY OF ABBAS SAADAT
REGIONAL PRODUCT SAFETY EXECUTIVE, TOYOTA NORTH AMERICA, AND
VICE PRESIDENT, TOYOTA MOTOR ENGINEERING & MANUFACTURING,
NORTH AMERICA, INC.**

**HOUSE ENERGY & COMMERCE COMMITTEE,
SUBCOMMITTEE ON COMMERCE, MANUFACTURING & TRADE
DECEMBER 3, 2014**

Chairman Terry, Ranking Member Schakowsky, members of the Committee, thank you for inviting me here today. My name is Abbas Saadat, and I am the Regional Product Safety Executive and a Vice President at Toyota North America. I am a senior executive in the United States responsible for Toyota's interaction with NHTSA and currently have oversight responsibility for field actions in the U.S. regarding the Takata air bag inflator recalls. I am an engineer by training and function.

First, Toyota shares your goals of helping those affected by these recalls and keeping them safe. We are committed to resolve this issue for our customers as quickly, conveniently and safely as possible.

We believe the actions we have taken reflect this commitment. From the beginning, Toyota has responded to defect information from Takata, coordinated with NHTSA, and supported Takata and NHTSA in their ongoing investigation.

- In April 2013, Toyota launched a nationwide recall for front passenger Takata airbag inflators. This recall is still in effect today for customers across the U.S. In June of this year, we expanded the remedy for this recall to replace all affected Takata inflators.

- Also in June, in response to NHTSA's request to the industry, we were among the first automakers to recover airbag inflators for testing by Takata.
- In October, Takata provided testing data to Toyota and NHTSA that suggested the safety risk was highest in areas of consistently high absolute humidity. In response, we intensified our recall efforts to reach customers in those humid areas, which was publicized nationwide.

Throughout these recalls, we have worked to alert customers and get them the information they need. Beyond our initial national outreach, we have mailed more than 300,000 notification letters to known owners in designated humid regions. We also have made it easier for customers to find recall information on Toyota's website.

In addition, we have started a secondary outreach program to customers in humid areas that includes telephone calls, email and direct mail. And we are staffing our call centers to handle any increase in Takata-related inquiries.

At the same time, we are working to get replacement parts to Toyota dealers, and this effort is going well in humid regions. If parts are unavailable, we have empowered dealers to meet our customers' needs and minimize their inconvenience. For example, in humid areas dealers can disable the front passenger airbag and affix a prominent glove box label that warns against using that seat until a replacement inflator is installed. Dealers also are making loaner vehicles available and even towing affected vehicles for customers, if necessary.

To this point, the faster we can get replacement parts, the faster we can fix our customers' vehicles. We have requested increased supply on an expedited basis, and Takata estimates that its supply will increase significantly starting this month.

Like you, we want additional assurances about the integrity and quality of Takata's manufacturing processes, particularly in light of previous experiences. For instance, in 2010 Toyota had to recall certain Takata inflators in Japan to address a different manufacturing problem not involving U.S. vehicles.

In terms of testing, we have conducted and continue to conduct some testing on Takata inflators, and we have also inspected Takata production facilities. Additionally, we have retained an independent engineering firm to evaluate affected Takata inflators and replacement parts.

Toyota will further address the issue of testing in our response to NHTSA's recent General Order and in ongoing communications with the agency.

Again, our nationwide recall remains in effect, and we plan to replace all involved inflators as parts become available.

In closing, Toyota is taking this issue very seriously. We will continue to respond promptly to new developments and do what is best for our customers.

Thank you. I am happy to answer your questions.

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