From: Chris Santucci/=WDC/Toyota_NY. Sent:8/29/2007 12:30 PM.
To: [-] Christopher Tinto/=WDC/Toyota_NY@Toyota_NY.
Cc: [-] Kevin Ro/=WDC/Toyota_NY@Toyota_NY.
Bcc: [-] .
Subject: Re: PRIVILEGED AND CONFIDENTIAL::Meeting with NHTSA - ES350 Floormats.

Chris,

I'll ask to setup a videoconference next week. CQE is meeting about the issue on Monday, so maybe we can have it Tuesday.

Medford wants to know what we are going to do about this issue. I haven't spoken to him, but we can talk about what I think he wants.

I'm sorry for the lengthy email, it was for your benefit mainly, and TMS as well. Akira is out today, we'll talk tomorrow with him.

Regards,

Chris Santucci - Assistant Manager
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Christopher Tinto/WDC/Toyota_NY
08/28/2007 10:03 PM
To Chris Santucci/WDC/Toyota_NY@Toyota_NY, Kevin Ro/WDC/Toyota_NY@Toyota_NY
cc
Subject Re: PRIVILEGED AND CONFIDENTIAL::Meeting with NHTSA - ES350 Floormats

What does this mean?

"They also expressed that they re not interested in doing a point public announcement of any kind."

Thx
Chris

PS - you should talk to Kevin and think about a videoconference with TMCQD. Although good, I think your note has far too much information for them to digest quickly. Have Akira help with translation to speed the meeting.

Finally - I don't understand what NHTSA wants - What is medford waiting for? A recall? To do what? A letter to all owners just telling them what we told them before?

Chris Tinto
Vice President, Toyota Motor North America Inc
Sent from Wireless hand held

----- Original Message -----

From: Chris Santucci
Sent: 08/28/2007 04:54 PM
To: Christopher Tinto; George Morino; Hisaaki Kato; Jyunji Ogata/HINPO/TMC0@TMC0; Kevin Ro; Michiteru Kato/HINPO/TMC0@TMC0; Shinichiro Ogata/HINPO/TMC0@TMC0; Takezo Oba/HINPO/TMC0@TMC0@TMCE@TOYOTA
Subject: PRIVILEGED AND CONFIDENTIAL::Meeting with NHTSA - ES350 Floormats

Today TMA met with NHTSA to hear their position regarding the ES350 All Weather Floormat investigation. TMA requested a meeting due to the ODI management phone inquiry requesting that Toyota act on this issue immediately or NHTSA would issue a public advisory warning that the ES350 was unsafe. Since TMA was not aware of NHTSA's position at the time of the phone inquiry, it was agreed that NHTSA would share what it has learned to date via a technical meeting.

The meeting started with a review of the presentation that NHTSA gave for their internal management briefing. The presentation is what prompted the phone inquiry last week. NHTSA stressed that their management is seriously concerned about this issue and wants to know what Toyota is going to do. They reiterated that they are considering doing a public advisory. They also expressed that they re not interested in doing a point public announcement of any kind.

The first slide showed a crashed and burned ES350, from the inspection of ODI#10189865. The vehicle is from Chicago, NHTSA inspected this particular vehicle. The vehicle's crash was blamed on a single, unsecured all weather mat (AWM). The next slide explained the interference of the AWM. They note that the mat is "Typically installed over the OE floormat." There was no reference to the fact that Toyota does not recommend this installation. The next slide used pictures that highlighted where the floormat can trap the accelerator pedal. For the AWM, it is the ridge just to the right of the warning (to the right of the embossed word "MATS"). For the carpeted mat, the pedal was shown stuck under the leading edge of the mat.

Next, they showed us some video. VRTC was recreating a complaint that indicated the driver negotiated a freeway ramp before crashing. VRTC stuck the throttle and was able to drive an Avalon around the same radius curve due to VSC activation. During which the driver shifted to Neutral, Reverse, and Park. The investigator stated that shifting to Park did nothing. I expressed some concern, because shifting to park should put the vehicle in neutral at a high speed. He stated that it makes a little noise, but you can barely hear it. Finally, I told him that the vehicle stops accelerating, and he said yes, it goes into neutral. It was clear that NHTSA wasn't presenting the whole story, only the parts that suited their position.

The next slide was about a 2007 MY Camry where the owner stated that they installed the AWM over the carpeted mats and had an event that caused them to go out of control for over 3.5 miles. During which, the owner said that the vehicle felt funny, started accelerating so the pressed on the brakes and the vehicle slowed. They released the brakes and the vehicle accelerated again. They pressed the brakes again and the vehicle slowed, but they released the brakes again. Eventually they did this until the brake booster was depleted. Then the owner had difficulty stopping the vehicle without power assist to the brakes. They presented this as a typical situation, that all drivers would do this i.e., press the brake, think all is well, release the brake, repeat, etc. until the brakes become compromised. The next slide showed the 3.5 mile route the driver took.

The next slide was on the Power Assisted Brakes. The key points on the slide were "No vacuum assist with wide open throttle" and "Without Power Assist -> Significant Safety Concern." Also was the "snowballing effect," as they noted that the brakes overheat, catch fire, become damaged, etc. There was no mention that the brakes can actually stop the vehicle, nor any reference to pedal forces.

The next slide included the push button start operation (SKS). the noted the 3 second safety delay and included the language from our owner's manual. However, they noted that the context of the owner's manual language is strange:

Caution when driving
Do not touch the engine switch while driving.
Pressing and holding the engine switch will stop the engine, which may lead to an unexpected accident.

If you look at the language, it is written more about how pressing and holding the button is not something you want to do. The mentioned that it would be better to include language about in an emergency hold the button to shut down the engine. The investigator mentioned that many other manufacturers use different methods for shutting down the engine. I asked specifically about this, and he mentioned BMW shuts down the engine if you tap the button repeatedly. I asked about the others and he said the Corvette uses two button, and you just have to push the stop button and the vehicle shuts off. Then he mentioned that GM is going to change that system to a press and hold

shutdown because they have complaints of people accidentally pushing the button. I asked again about others and they said they didn't know of any other types, but that they didn't do an exhaustive search. (We should survey this feature for them, I think we will find all other manufacturers are press and hold). Again, the presentation showed only points to support their position, nothing else.

The next slide was about the gated shifter. It illustrated that people can leave the shifter in the sequential shifting section, push up, and think they are in neutral because the "+" and the "N" indicators are in line. They believe this accounts for people that said that shifting to neutral did nothing. However, they have no data that shows how many people actually said this at all. This was the main point of the slide, i.e., that shifting to Neutral is ineffective.

the next slide listed the number of VOQ's for other Toyota vehicles. They had 6 (which they said was actually 5) 2007 MY Camry's, 6 Avalons, and 7 Prius complaints. They have given me copies of these VOQ's. There was 1 fatality crash for the Camry and 1 crash on the Prius, which was the next slide.

The slide showed a crashed and burned Prius. This is the vehicle that crashed into a convenience store in Washington state. NHTSA inspected the vehicle and took pictures of the AWM. The slide showed the AWM trapping the accelerator pedal. We asked if the mat was unsecured. What you couldn't see in the pictures was what they explained to us. The AWM was burned away, about half of it, the half closest to the seat which includes the clips. In addition, the footwell appeared damaged. However, it was being presented as the reason why this Prius crashed.

Amazingly enough, the next slide was of the "ConsumerAffairs.Com" website with an article about the Prius. After that, the Ohio survey was detailed.

2000 ES350 owners received surveys
600 Responded
486 of the respondents used the AWM
59 of those AWM users indicated they had experienced unintended acceleration
5 of which were without the use of the AWM
19 were related to driveability (hesitation, surge)
35 indicated the AWM was the cause
No crashes
1 over-extended knee injury
162 responses indicated that the owners were aware of the 3 second press and hold engine stop procedure. The investigator commented that they were surprised that so many knew about the feature, but attributed it to the way they had written the question.

The next slide gave an overview of the VRTC testing. They used an Avalon that was going to be crash tested. It had the AWM, similar push button start, similar shift pattern, etc. They noted that with power assist to the brakes, it takes 50 lbs of pedal force to stop the vehicle at wide open throttle (WOT). The slide then notes that with no power assist and with 50 lbs of pedal force, the vehicle does not stop. That was it, no mention of the pedal force it takes to stop the vehicle, which should be in line with FMVSS 135 testing (up to 112.4 lbs), only the 50lbs information. (We will need this information - actual pedal force to stop the vehicle without power assist and WOT)

They had comment slide that stated these points:

The AWM has a new design
The AWM has a deep channel that catches the pedal
The ES350 has a weaker throttle pedal return spring that the ES330
The ES350 pedal doesn't articulate at the pedal end

Other vehicles have this design - IS, Camry, Avalon, and Prius

The footwell has an indentation under the pedal that traps the AWM (slide with pictures).

Then they had slides of all different vehicle pedals - GX470 and GS450H were "OK" with pictures. The Corolla was "OK" because it used the old AWM design without the channel. RX350 and Solara used a new mat design, but had an older pedal design. Then they had peer vehicles like Infinity, Acura, BMW, Mercedes - all listed as "OK." They all had pictures of the vehicle and the pedals.

The next slide showed our position, and it was accurate, taken right from our response. Then they had a Next Steps slide that they had removed the contents. They explained that they believe this issue is on the other vehicles (IS, Avalon, Camry, Prius). They are not interested in a joint press release or advisory. And they want to know what we

are going to do about this issue next week. We explained that we don't know if we will be able to response that quickly, but they said that Ron Medford will not be pleased if we don't come forward with a response next week.

To that, it is EXTREMELY important that we move quickly. NHTSA's analysis is extremely biased and one-sided. We need to fill in the missing pieces for them. That means a peer analysis - are we on par with peers for this issue? We need to know. The issue to them has nothing to do with the retention clips. They believe that once a mat is unclipped or double stacked, it will go out of control and crash with these vehicles.

Our position is a good position. This problem is most likely limited to double stacked mats and our owner notification should address this moving forward. We need to show that in absence of the double stacking of the mats, we are on par with our peers.

We need to show them that the retaining clips are the best way to address this issue.

We need to show them that the press and hold shutdown is used extensively in the industry.

We need to show them that Neutral, Reverse, and Park all slow the vehicle.

We need to show them the vehicle can be stopped with the brakes.

We need to know if our mailing has been effective. If so, then:

I suggest we should be prepared to offer: Mailings to the owners of the "other vehicles" and extensive TSB's and installation instructions for our dealers and service technicians.

In lieu of that, TMA needs to know how serious TMC is about fighting this issue. It is clear that NHTSA's technical analysis is incomplete. We need to complete it. But it is not worth it if we will not fight. If we choose not to fight the issue, we should study a redesign/recall of the AWM or the pedals on the ES350 and the IS, Camry, Avalon, and Prius because NHTSA is very serious about this issue, but unfortunately, they feel this way without knowing all of the facts. TMA is contacting outside counsel for advise and will update you as soon as possible.

Regards,

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