



November 3, 2015

FACT SHEET: NHTSA COORDINATED REMEDY ORDER

LEGAL AUTHORITY

- The TREAD Act, passed in 2000, provides NHTSA the legal authority to order vehicle manufacturers to accelerate their remedy of a safety defect if the agency determines that there is a risk of death or serious injury if the remedy is not accelerated; manufacturers' remedy programs can be reasonably accelerated by expanding supplies of replacement parts or authorizing additional repair facilities; and manufacturers' remedy programs are not likely to be complete within a reasonable time without acceleration.
- NHTSA has found that in the case of Takata air bag inflators, there is risk of serious injury or death if the remedy programs are not accelerated; that acceleration can be reasonably achieved by expanding the sources of replacement parts; and that each manufacturer's remedy program is not likely to be completed in a reasonable time without acceleration.

COORDINATED REMEDY PROCEEDING

- NHTSA launched a formal administrative proceeding, the Coordinated Remedy Program Proceeding, on June 5, 2015, to consider whether it should use its accelerated remedy authority in the Takata air bag inflator recalls.
- The proceeding provided opportunity for public input.
- NHTSA issued information requests to vehicle manufacturers and inflator suppliers in June, and engaged in numerous meetings with the affected companies to gather additional information on remedy plans and challenges and replacement part supply. In September, the agency also requested information from vehicle manufacturers who have been supplied Takata inflators but not launched recalls.

- NHTSA convened meetings on September 23 and 24 with vehicle manufacturers to examine data gathered through the proceeding to aid NHTSA in developing a risk-based framework designed to ensure that the highest risk vehicles are remedied first.

RISK FACTORS AND PRIORITIZATION

- NHTSA's analysis of evidence to-date has determined the following factors affect the risk that a Takata inflator will rupture and will cause serious injury or death:
 - Age (older inflators are more likely to rupture than newer inflators)
 - Geography and climate (vehicles that have spent significant continuous time periods in areas of high absolute humidity, such as the Gulf Coast region and Puerto Rico, are at higher risk of rupture than vehicles that have been used in less hot and humid climates)
 - Inflator position (driver-side inflators are more likely to cause fatal injuries than passenger-side inflators)
 - Presence of two recalled inflators (vehicles with recalled inflators on both driver and passenger sides represent elevated risk and unique recall completion challenges)
- Based on those risk factors, each vehicle manufacturer has provided NHTSA a prioritization list that groups its recalled vehicles into four priority groups:
 - Priority Group 1: Highest risk vehicles, generally those from model years 2008 or older that have spent time in the high absolute humidity region and that have either a recalled driver-side inflator or both driver- and passenger-side inflators.
 - Priority Group 2: Intermediate-high risk vehicles, generally including all vehicles with driver-side inflators that are not in Group 1 and vehicles with certain passenger-side inflators that have higher rupture frequency and have spent time in the high absolute humidity region.
 - Priority Group 3: High risk vehicles, generally including vehicles outside the high absolute humidity region with only passenger-side inflators, or those in the humid region with certain passenger inflators that have lower risk of rupture.
 - Priority Group 4: Vehicles that will require an interim remedy (a remedy inflator that may contain the same defect as the recalled inflator) because

alternate parts are not available. These vehicles are fourth priority because once the vehicles have been remedied with the interim part the risk of rupture is significantly reduced in the years just after the interim remedy is installed.

ACCELERATING THE REMEDY

- NHTSA has ordered each vehicle manufacturer to ensure that it has sufficient remedy parts on hand on the following schedule:
 - Priority Group 1: March 31, 2016
 - Priority Group 2: September 30, 2016
 - Priority Group 3: December 31, 2016
- NHTSA has also ordered each vehicle manufacturer to complete its remedy program on the following schedule:
 - Priority Groups 1-3: December 31, 2017
 - Priority Group 4: December 31, 2019
- In order to meet this schedule and maximize remedy completion rates, each vehicle manufacturer must provide to NHTSA within 90 days a written recall engagement plan which should, at a minimum, include methodology and techniques presented at an April 28 NHTSA workshop on maximizing recall completion.

INDEPENDENT MONITOR

- The Monitor established under NHTSA's most recent Consent Order to Takata, issued today, will also assist NHTSA in monitoring and assessing compliance with the Coordinated Remedy Program and the Coordinated Remedy Order.
- The Monitor will assess progress in meeting the Order's accelerated remedy requirements and provide NHTSA with all information required to make informed decisions.

CONSIDERATION OF NEW RECALLS OR ADDITIONAL DATA

- The Coordinated Remedy Order anticipates the possible expansion of Takata inflator recalls, including those resulting from provisions of the most recent NHTSA Consent Order to Takata.

- Within 45 days of any expansion of the Takata recalls, NHTSA may convene a meeting with affected vehicle manufacturers to address inclusion of the new recalls within the Coordinated Remedy Program, including principled risk-assessments for the prioritization of the new recalls.
- NHTSA may, after consultation with affected vehicle manufacturers and/or Takata, or upon a recommendation from the Monitor, modify the existing Coordinated Remedy Order to respond to new information.