

CRAVATH, SWAINE & MOORE LLP

WORLDWIDE PLAZA
825 EIGHTH AVENUE
NEW YORK, NY 10019-7475

TELEPHONE: +1-212-474-1000
FACSIMILE: +1-212-474-3700

CITYPOINT
ONE ROPEMAKER STREET
LONDON EC2Y 9HR

WRITER'S DIRECT DIAL NUMBER
+1-212-474-1260

WRITER'S EMAIL ADDRESS
j buretta@cravath.com

JOHN W. WHITE
EVAN R. CHEGLER
KRIS F. HEINZELMAN
PHILIP A. GELSTON
RICHARD W. CLARY
JAMES D. COOPER
STEPHEN L. GORDON
DANIEL L. MOSLEY
ROBERT H. BARON
KEVIN J. GREHAN
C. ALLEN PARKER
SUSAN WEBSTER
DAVID MERCADO
ROWAN D. WILSON
CHRISTINE A. VARNEY
PETER T. BARBUR
SANDRA C. GOLDSTEIN
THOMAS G. RAFFERTY
MICHAEL S. GOLDMAN
RICHARD HALL
JULIE A. NORTH
ANDREW W. NEEDHAM
STEPHEN L. BURNS
KEITH R. HUMMEL
DAVID J. KAPPOS

DANIEL SLIFKIN
ROBERT I. TOWNSEND, III
WILLIAM J. WHELAN, III
PHILIP J. BOECKMAN
ROGER G. BROOKS
WILLIAM V. FOGG
FAIZA J. SAEED
RICHARD J. STARK
THOMAS E. DUNN
MARK I. GREENE
DAVID R. MARRIOTT
MICHAEL A. PASKIN
ANDREW J. PITTS
MICHAEL T. REYNOLDS
ANTONY L. RYAN
GEORGE E. ZOBITZ
GEORGE A. STEPHANAKIS
DARIN P. MCATEE
GARY A. BORNSTEIN
TIMOTHY G. CAMERON
KARIN A. DEMASI
LIZABETHANN R. EISEN
DAVID S. FINKELSTEIN
DAVID GREENWALD
RACHEL G. SKAISTIS

PAUL H. ZUMBRO
JOEL F. HEROLD
ERIC W. HILFERS
GEORGE F. SCHOEN
ERIK R. TAVZEL
CRAIG F. ARCELLA
TEENA-ANN V. SANKOORIKAL
ANDREW R. THOMPSON
DAMIEN R. ZOUBEK
LAUREN ANGELILLI
TATIANA LAPUSHCHIK
ERIC L. SCHIELE
ALYSSA K. CAPLES
JENNIFER S. CONWAY
MINH VAN NGO
KEVIN J. ORSINI
MATTHEW MORREALE
JOHN D. BURETTA
J. WESLEY EARNHARDT
YONATAN EVEN
BENJAMIN GRUENSTEIN
JOSEPH D. ZAVAGLIA
STEPHEN M. KESSING
LAUREN A. MOSKOWITZ
DAVID J. PERKINS

JOHNNY G. SKUMPIJA
J. LEONARD TETI, II
D. SCOTT BENNETT
TING S. CHEN
CHRISTOPHER K. FARGO
KENNETH C. HALCOM
DAVID M. STUART
JONATHAN L. DAVIS
AARON M. GRUBER
O. KEITH HALLAM, III
OMID H. NAGAB
DAMARIS HERNÁNDEZ
JONATHAN J. KATZ

SPECIAL COUNSEL
SAMUEL C. BUTLER
GEORGE J. GILLESPIE, III

OF COUNSEL
MICHAEL L. SCHLER

December 23, 2016

Independent Monitor of Takata and the Coordinated Remedy Program

Dear Affected Vehicle Manufacturers:

Pursuant to Paragraph 42 of the Third Amendment to the Coordinated Remedy Order (the "ACRO"), please find enclosed a series of Coordinated Communications Recommendations developed in conjunction with NHTSA.

The Takata recall is the largest, most complex automotive recall in U.S. history, and the severity of the defect at issue, combined with the low completion rates to date, has led NHTSA to order the recall's acceleration. Completion rates in recall campaigns launched thus far make clear that statutorily mandated owner notification letters alone will not be enough to accelerate the recall on the timelines NHTSA has ordered. Moreover, the recall's complexity creates the potential for significant consumer confusion, which will only be compounded if automakers are delivering messages that differ from one another and from the messages delivered by NHTSA.

Accordingly, these recommendations are intended to provide a baseline set of consistent messaging principles and communication strategies for each Affected Vehicle Manufacturer to use in conducting recall outreach. These recommendations are based on consumer research, best practices we have observed in the conduct of the recall to date, and our ongoing discussions with each of you, including during the Coordinated Remedy Proceeding this past summer at NHTSA headquarters. These recommendations are not intended to be an exhaustive list, and my expectation is that you will continue to develop additional approaches of your own based on the particular characteristics of your respective recall segments as the recall progresses. I welcome proposals for alternative messaging or strategies not encompassed by these recommendations, so long as any such proposal is accompanied by supporting data, analysis and rationale, consistent with the process set forth in the ACRO.

Pursuant to Paragraph 42 of the ACRO, please ensure that all future supplemental owner notifications are consistent with these recommendations, unless otherwise directed by NHTSA. Please transmit electronic versions of such communications to NHTSA and my team, not less than five business days before you plan to post them online, publish, or send them to consumers, by uploading them to the ShareFile site for which my team will be sending access instructions and credentials under separate cover. You may proceed with issuing your intended communications after the five business days have passed, unless otherwise instructed; you do not need to wait for a specific authorization to proceed.

NHTSA has indicated that uploading of communications to the ShareFile site will constitute compliance with your obligations under 49 CFR § 573.6(c)(10) to submit representative copies of issued communications on a recall. Should a proposed communication you submit need to be revised after consultation with NHTSA, my team or me, please upload a copy of the revised version to the ShareFile site, in a manner that indicates it is a revised version.

Please do not hesitate to contact me with any questions, concerns or suggestions.

Sincerely,



John Buretta

VIA EMAIL TO:

BMW of North America, LLC
Daimler Trucks North America, LLC
Daimler Vans USA, LLC
FCA US, LLC
Ferrari North America, Inc.
Ford Motor Company
General Motors, LLC
American Honda Motor Company
Jaguar Land Rover North America, LLC
Karma Automotive (on behalf of certain Fisker vehicles)
Mazda North American Operations
Mercedes-Benz US, LLC
McClaren Automotive, Ltd.
Mitsubishi Motors North America, Inc.
Nissan North America, Inc.
Subaru of America, Inc.

Tesla Motors, Inc.
Toyota Motor Engineering and Manufacturing
Volkswagen Group of America, Inc.

COPY VIA EMAIL TO:

Elizabeth H. Mykytiuk, Esq.
Senior Trial Attorney, Litigation and Enforcement
Department of Transportation
National Highway Traffic Safety Administration
1200 New Jersey Avenue SE
Washington, DC 20590

Independent Monitor of Takata and the Coordinated Remedy Program

Coordinated Communications Recommendations

1. *Pursue a multi-touch communications strategy that employs non-traditional means of outreach.*
 - a. Engage in outreach specific to the Takata airbag recall employing at least three of the following means of non-traditional outreach:
 - i. Postcards;
 - ii. Email;
 - iii. Telephone calls;
 - iv. Text messaging; and
 - v. Social media (i.e., Facebook, Twitter, etc.).
 - b. Coordinate communications across different means of outreach to ensure that each vehicle in a launched campaign receives at least one form of outreach per month until the vehicle is repaired, unless the vehicle has been excluded from recall outreach as scrapped, stolen, exported or otherwise unreachable under the procedures set forth in Paragraphs 45-46 of the ACRO.
 - c. Ensure that you are employing high-quality, up-to-date owner contact information in conducting outreach.
 - i. Pursue data appends from multiple sources beyond those that rely primarily on state vehicle registration records.
 - ii. Increase the frequency with which you obtain updated owner contact information, especially for older model-year vehicles that may change hands frequently in the secondary market.
 - iii. Even in scenarios where remedy parts are not yet available for the owner's vehicle, request that the owner take action to confirm or update the owner's contact information, and offer multiple, convenient means for doing so (e.g., a form available on your website, a dedicated phone number, a postage-paid card the owner can mail back).
 - iv. Whenever you receive updated owner contact information for a vehicle, ensure that at least one mailed communication for which delivery can be confirmed (e.g., first class mail, FedEx) is sent to the new address.

- v. Wherever possible, include in every communication an option for the recipient to notify you that the vehicle in question has been sold, transferred, or is otherwise being primarily driven by a party not residing at the same address as the recipient.
 - d. Adopt an escalation strategy—including but not limited to the use of more graphic imagery—for particular vehicles for which parts are available and the consumer has received multiple forms of outreach, but the vehicle has nonetheless still not been repaired.
 - e. Encourage consumers to sign up for recall alerts at [NHTSA.gov/alerts](https://www.nhtsa.gov/alerts).
2. *Convey the risk presented by airbag ruptures in clear, accurate and urgent terms.*
- a. Describe the risk associated with the defect using simple language that emphasizes the risk of injury or death to both drivers and passengers stemming from shrapnel in the event of a rupture (e.g., “In even a minor fender bender, the airbag inflator in your vehicle could rip apart and send shards of shrapnel toward you and your passengers. People have been killed and seriously injured by this defect.”).
 - b. Do not include information that is likely to mitigate the owner’s perception of the risk (e.g., “No ruptures have been observed in [OEM’s] vehicles to date.”).
 - c. Use bold text to highlight particularly impactful words (e.g., “urgent”, “kill”).
 - d. Include imagery that reinforces graphically the nature of the risk (such as the “shrapnel hazard icon” developed by and available from the Monitor).
 - e. Avoid using generic or low-impact imagery (e.g., scenic pictures).
 - f. In letter communications, include a red headline at or near the top of the letter, with prominently featured text, such as “Urgent Safety Recall”.
 - g. In email communications, use the word “URGENT” in the subject line.
 - h. In scenarios where remedy parts are not yet available:
 - i. Include a concise statement indicating that NHTSA has ordered automakers to accelerate the development and production of remedy parts, and to prioritize repairs for vehicles according to risk factors identified through testing;
 - ii. State the date by which parts must be available for the consumer’s vehicle, pursuant to the relevant provision of the Coordinated Remedy Order (i.e., Paragraph 39 of the November 2015 Coordinated Remedy Order or Paragraph 34 of the December 2016 Third Amendment to the Coordinated Remedy Order);

3. *Anticipate and address possible consumer misperceptions or other concerns relating to recall repairs.*
 - a. Emphasize throughout all communications that repairs are free; repairs can be performed by any OEM-authorized dealer regardless of where the vehicle was purchased; and the owner will not be charged for any other service or repair unless the owner requests it.
 - b. Affirmatively recognize the inconvenience presented by the need to have the vehicle repaired, and prominently feature the details of all services you or your dealers provide that address owner inconvenience associated with the repair (e.g., towing, provision of loaner or rental cars and extended dealer service hours).
 - c. Adopt a dedicated, toll-free phone number solely for Takata recalls to centralize the scheduling of repairs, ensure appropriate prioritization at dealers, and respond to customer questions or concerns regarding the Takata recall.
 - d. Advise consumers that they may contact NHTSA with any questions or concerns regarding the recall at 1-888-327-4236.
 - e. In letter and postcard communications, collect in a boxed area a series of bullet points with the most relevant information (e.g., that the vehicle is defective, that the repair is free, how to schedule a repair and the details of any services you provide to address owner inconvenience).
4. *Tailor communications to the individual owner and vehicle at issue, to reinforce the message's credibility and distinguish it from commercial solicitations.*
 - a. Wherever possible, address communications using the vehicle owner's name (avoid "Dear Vehicle Owner" or "Dear Resident").
 - b. Prominently display your logo as well as logos of the Department of Transportation and NHTSA, consistent with instructions provided by NHTSA.
 - c. Include a picture of the actual vehicle at issue near the top of the communication, including such details as the vehicle's make, model, model-year, color and trim package, and repeat these same details in the text of the communication.
 - d. Ensure that all text messages, emails and social media outreach feature a link to a webpage offering Takata-recall-specific information, rather than the homepage of your website or a page on your website addressing recalls or dealer repairs in general.

5. *Ensure that your messaging is accessible to owners with limited reading or English skills.*
 - a. Ensure that all communications are in—at a minimum—both English and Spanish, and assess whether employing additional languages may be appropriate in light of the characteristics of your specific owner population.
 - b. Avoid scientific or technical jargon (e.g., “the inflator could produce excessive internal pressure upon deployment”).
 - c. In written communications, a font size of at least 11 pt. is recommended to ensure that consumers can reasonably engage with the content.
6. *Include a clear call to action designed to facilitate prompt and efficient scheduling of repairs.*
 - a. Prominently feature (and, wherever possible, repeat numerous times) the telephone number consumers should call to schedule a repair.
 - b. In telephonic communications, ensure that all calls are designed to facilitate scheduling an appointment for a repair as part of the initial interaction with the consumer. Minimize the need for the consumer to call the dealer separately or wait for a callback to schedule an appointment.
 - c. In text messages, email and social media outreach, include links to your online repair scheduling platform, if available.
 - d. In social media outreach, ask consumers to share your message with friends and family. Append “#checkforrecalls” to Facebook or Twitter postings.