

July 27, 2018

CONFIDENTIAL BUSINESS INFORMATION REDACTED

Mr. Jonathan Morrison
Chief Counsel
National Highway Traffic Safety Administration
(NCC-111), Room W41-227
1200 New Jersey Avenue, SE
West Building
Washington, DC 20590

RE: Docket No. NHTSA-2015-0055 – Update to Mercedes-Benz USA Request for Extension of Priority Groups 4 and 5 Sufficient Supply and Remedy Launch Deadline Under ¶ 39 of the Third Amended Coordinated Remedy Order to Address Takata Recalls

Dear Mr. Morrison:

On behalf of our clients, Daimler AG (“DAG”) and Mercedes Benz USA, LLC (“MBUSA”), and pursuant to ¶ 39 of the Third Amended Coordinated Remedy Order to address the Takata recalls, this letter updates the June 21, 2018 letter requesting an extension of time in which to comply with the sufficient supply and remedy launch deadlines for certain vehicles in Priority Groups 4 and 5, as set forth in ¶ 33 of the Fifth Amendment to the Takata Coordinated Remedy Order (“Fifth Amended Order”). In the June 21, 2018 letter, MBUSA and DAG requested a July 31, 2018 launch deadline for Priority Group 4 Model Year (“MY”) 2008-2009 C-Class (204 platform) vehicles in the HAH region; an August 31, 2018 launch deadline for Priority Group 4 MY 2008-2009 C-Class (204 platform) vehicles in the remainder of Zone A; and an October 31, 2018 launch deadline for Priority Group 5 MY 2008-2009 C-Class (204 platform) vehicles in Zone non-A.

MBUSA will launch the remedy for the vast majority of Priority Group 4 MY 2008-2009 C-Class (204 platform) vehicles in the HAH region at the end of July in line with the requested launch date set out in our request from June 21, 2018; however, MBUSA and DAG recently received information impacting the launch date for the recall of the AMG variant of the MY 2008 – MY 2011 C-Class (204 platform) vehicles. This new information requires MBUSA to update its June 21, 2018 extension request.

1. Background

As described in prior communications to NHTSA, MBUSA is implementing a Takata recall remedy strategy that involves use of the superior technical solution of [] based inflators. MBUSA and DAG have worked closely with [] to develop and validate the [] replacement parts. For each replacement module DAG is carrying out extensive testing and validation procedures to ensure fulfillment of all relevant performance requirements. []

[] Upon completion of all necessary testing and validation for each module, DAG releases the use of the respective [] inflator-equipped

airbag module in MBUSA vehicles and [] will start supplying these modules to DAG and MBUSA accordingly.

MBUSA and DAG recently learned that the testing and validation process for the AMG variant of the C-Class (204 platform) model could not be completed. Accordingly, it will not be possible to comply with the requested Priority Group 4 and 5 launch deadlines for the AMG vehicles listed in MBUSA's June 21, 2018 letter.

Please note that the AMG variant is a limited production vehicle and the affected vehicle population is restricted to a total of 3,739 vehicles from MY 2008 to MY 2011. Specifically, the affected vehicles are as follows:

- 1,893 MY 2008-2009 Zone A vehicles in Priority Group 4;
- 1,048 MY 2010-2011 Zone A vehicles in Priority Group 5; and
- 798 MY 2008-2009 Zone non-A vehicles in Priority Group 5.

The testing and validation process for the AMG variant of the C-Class (204 platform) model was progressing according to schedule. All preliminary validation procedures and tests, including [] were carried out successfully, fulfilling all relevant requirements. However, [], it became apparent that the performance of the module did not meet the specifications. []

Detailed analysis and evaluation of the test parameters and crash data indicated the test was carried out correctly and the test result was valid. As such, it was established that the possibility of merely re-running the [] was not viable. Upon further investigation it was apparent certain adaptations [] would be necessary. Therefore, the airbag module for the AMG variant of the C-Class does not currently meet the certification standards for release.

The DAG Research & Development department is currently in the process of investigating possible adaptations []. At this stage, it is not feasible for the DAG Research & Development department to assess whether changes [] will be required, as such measures will only be apparent upon conclusion of the research and development phase for the [].

In addition to the research and development process for the possible [], it is necessary to locate and source an additional C-Class (204 platform) AMG vehicle from the U.S. market for the purposes of the further testing and validation process. As the vehicle is sourced [], it is subject to a series of quality controls to ensure suitability for representative [] testing. []

2. Amended Request for MY 2008 – MY 2011 C-Class (204 Platform) AMG – Priority Groups 4 and 5

Taking into account the time required to identify and address the necessary [] carry out the preliminary validation and testing [], source and prepare a suitable vehicle [], carry out additional required [] tests, release the parts and ship them to the U.S., MBUSA currently anticipates it will be in a position to launch the recall for the subject vehicles as follows:

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- MY 2008-2009 Zone A vehicles in Priority Group 4 by May 31, 2019;
- MY 2010-2011 Zone A vehicles in Priority Group 5 by May 31, 2019; and
- MY 2008-2009 Zone non-A vehicles in Priority Group 5 by May 31, 2019.

Of course, these dates are subject to successful completion of all testing necessary to validate the parts.

MBUSA will launch this recall once twenty percent of replacement parts are available to dealers. MBUSA currently anticipates that it will have the requisite twenty percent part supply available by May 31, 2019 for both Priority Group 4 and 5 C-Class (204 platform) AMG vehicles.

MBUSA respectfully requests an extension of time to comply with the Priority Group 4 launch deadline for MY 2008 – 2009 C-Class (204 platform) AMG vehicles in Zone A, and the Priority Group 5 launch deadline for MY 2008 – MY 2011 C-Class (204 platform) AMG vehicles in Zone non-A, until May 31, 2019.

* * *

Thank you for your consideration of this request. Please let us know if you need any additional information.

Sincerely,



R. Latane Montague

Attachment: Certificate in Support of Notice of Anticipated
Shortage and Request for Extension

Cc: Stephen Hench, Esq.
R. Thomas Brunner