



Coordinated Remedy Program Proceeding: What is the status? (Part III) **Stephen Ridella**

Building on this knowledge, let's make sense of what those facts mean for developing a risk-based recall priority system. Other than the position of the inflator, on either the driver or the passenger side, each of these risk factors we've been talking about increases the chances that the air bag inflator will rupture and could injure someone in the vehicle.

For example, if you own a vehicle that is starting to get older, say 8 or 9 years old, and the whole time you have owned that vehicle you have lived in a high heat and high humidity region like Miami, then the inflator in your vehicle is more likely to rupture in a crash, than if you have a 3 year old vehicle in Miami, since that 3 year old vehicle only has 1 of the risk factors (being in the HAH region). A 9 year-old vehicle in Miami also presents a greater risk than a 9 year-old vehicle in Ohio or New York, because even though the vehicle in Ohio or New York is the same age, it doesn't have the second risk factor of the constant high heat and high humidity.

But what happens if we add as a factor the risk involved in having a driver inflator versus a passenger inflator or both of those inflators into this risk assessment? Well, it does get a little more complicated. Since some cars have both driver and passenger inflators that are defective, the chances of someone being injured or killed is highest for these vehicles compared to the vehicles that only have a defect on 1 side, either the driver side or the passenger side. The chances of an inflator rupture-related death or injury are next highest for the driver inflators for 2 main reasons. First, there is always a driver in the vehicle if the vehicle is being driven. We're not quite to driverless cars yet, so we know there's always going to be a driver. But there isn't always a passenger. Second, all of the people who have died because of their inflator rupturing were sitting in the driver seat. That is a pretty strong sign that a defective inflator on the driver side presents a higher risk than the vehicles that only have passenger inflators that need to be replaced.

Since there aren't enough replacement parts to fix every single vehicle right now, today, the vehicle manufacturers need to figure out a way to decide who goes first. Since the point of recalls by the manufacturers is to keep people safe from unnecessary injury, then we need to make sure that the people with the most chance of being injured have the chance to get their vehicles fixed first.

In order to prioritize the order of recalls to maximize the safety benefit, we asked each of the vehicle manufacturers to do a risk analysis like I just described to help them figure out which vehicles should have first priority for getting replacement parts. The manufacturers also were able to use information about ruptures that have happened in testing, or in cars that were in crashes, and other information that is specific to their vehicles. And the manufacturers also agree with this risk assessment method because it uses the information we have right now to make decisions about how to tackle this problem in a way that is orderly, logical and prioritizes the replacement of the higher risk inflators before lower risk inflators.

As I just mentioned, we asked each of the 12 vehicle manufacturers to do a risk assessment for all of their vehicles that need new inflators using these principles that put safety first, and to put them into 3 groups. And this is what we found. Group 1, the highest priority group, has approximately 6 million vehicles. This is for all the vehicle manufacturers combined. Then there's Group 2, which is the next highest priority group, and it has approximately 11 million vehicles. Group 2 is the biggest. And finally Group 3, which is the third highest priority group, has approximately 2 million vehicles across all of the manufacturers. I want to point out that I said Group 3 is the third highest because it's not that these vehicles are not important. They are important and it is important that they get fixed.

Based on all the information we have, for the time being, this system of looking at who has the most chance of getting hurt or killed makes sense for figuring out which vehicles should get remedied first.

We've heard about how many replacement parts are needed. But the question is, how are the vehicle manufacturers going to get these inflators out of vehicles and replace them with safe inflators? Through the Coordinated Remedy Program Proceeding, NHTSA has gathered and analyzed a large amount of information from affected vehicle manufacturers, Takata, and other

air bag inflator suppliers that are being called on to provide replacement inflators. Based on all of the responses from these companies, we are reviewing and monitoring the flow of parts from inflator production to delivery to the vehicle manufacturer. Meaning we're monitoring which inflator is coming from which supplier, and which replacement unit, or "kit," the inflator is going in to, and then which remedy kit is being sent to which vehicle manufacturer as a replacement for the defective Takata inflator.

By way of background, when we talk about "kits," we are talking about the replacement inflator as well as any adaptive parts that are needed for that new inflator to "fit" in the existing air bag unit or module. These adaptive parts are things like brackets and fasteners and other parts that are necessary to make the replacement inflator fit correctly in the air bag unit and stay that way.

Part of why it is so difficult to figure out this problem is because there is not just 1 Takata inflator model that has this problem. Just as manufacturers will offer 1 model of a vehicle with many options and alterations, there are multiple models of inflators and different options within those models. And the same is true for all of these inflator kits that will be used as replacement parts.

Similarly, replacement kits are not interchangeable between vehicles or manufacturers. An air bag and all of its various pieces and parts are unique to the vehicle model. Manufacturers work hand-in-hand with suppliers to design a vehicle-specific safety system. But, because the system is vehicle-specific, you can't just take a part designed for Car A and put it into Car B.

Likewise, you can't put an inflator from company X into a Takata air bag unit and expect it to work. You can design an inflator from company X to go in a Takata air bag unit, but it has to be specifically designed for that specific unit. Development needs to be done. And that takes time.

Some of the vehicle manufacturers recognized that Takata would not be able to provide all replacement inflators required for these defective inflators in an acceptable amount of time. But the question was: who would, or could, be an alternate inflator supplier? And how long would it take the alternative supplier to get up and running?

NHTSA has been tracking and analyzing Takata's monthly production of replacement kits for some time. The agency recognized that it was unlikely Takata could possibly produce enough replacement inflator kits to meet the demand, which was why we sent questions to other inflator suppliers as part of the Coordinated Remedy Program Proceeding explained earlier. This is what we learned from the responses to those questions, as well as the responses from the vehicle manufacturers.

This flow chart shows the process for getting inflators from suppliers to the manufacturers and ultimately, to the dealers who will replace the defective Takata inflators with these replacement parts. Other than Takata, 3 other inflator suppliers, Autoliv, Daicel, and ZF-TRW, are making remedy inflators. Together, these 4 inflator suppliers are scheduled to provide driver inflators to Takata, which Takata will then put into the replacement kits. Only 3 of the suppliers (Daicel, Takata and ZF-TRW) are scheduled to supply passenger inflators to Takata.

Takata is the main clearing house for the repair kits to be assembled and shipped out to the vehicle manufacturers' parts distribution network. In July of this year, Takata informed us that it had received orders for nearly 17 million replacement inflators. As Takata is filling these orders, the replacement kits are shipped to the vehicle manufacturers' main parts centers. From there, the vehicle manufacturers send replacement kits to regional parts distribution centers. Dealers are then able to order and receive parts from these regional centers, usually within about 48 hours. Information about the number of inflators available regionally and nationally is reported to NHTSA every 2 weeks by the vehicle manufacturers. Jennifer Timian will explain that process in just a minute.

Over the past several months, the inflator suppliers have been working with the vehicle manufacturers to modify inflators to correctly work and fit in the Takata air bags as replacement parts. The majority of this development work is done and the remedy inflator kits are following the path in the chart.

Each of the suppliers has now ramped up production, or will be doing so shortly. Takata estimates that it will be shipping over 2.8 million replacement kits to manufacturers this month alone. Keep in mind, however, that not all of those parts are for vehicles in the United States.

The vehicle manufacturers also have obligations to repair vehicles in many other places around the world.

Of those 2.8 million replacement units, 70 percent will have an inflator made by a supplier other than Takata. This is a true indication that production has grown in response to the increased demand that resulted from the nationwide recalls that were announced in May, and in response to NHTSA's opening of the Coordinated Remedy Program Proceeding in June. While this is good news for getting more vehicles repaired on a faster timeline, the inflator suppliers, vehicle manufacturers, and Takata need to ensure that together they can track each and every replacement inflator from the factory all the way through to the dealer and the vehicle that each replacement inflator goes into.

Tracking is extremely important here because some replacement inflators will need to be replaced again. Some of the replacement inflators are currently a like-for-like Takata inflator. "Like-for-like" means that a newly manufactured version of the same part that is being taken out is being put in as the remedy part. Interim remedy parts are being used because, currently, there is no other alternative available for those vehicles. These temporary inflator replacements are safer than the part they are replacing, because they are new and have not been exposed to the high heat and humidity. But, we believe that over time they will develop the same defect problem and should not stay in vehicles for an extended period of time. This type of "interim remedy" is not ideal, since vehicle owners will have to get the remedy done twice. But it is extremely important that the limited number of people whose vehicles need the interim remedy get the interim remedy and do not risk waiting for the final remedy. The interim remedy is safer than the current inflator, and the final remedy, once available, will be safe.

Consumers may be concerned about the reliability of the replacement inflators being manufactured by the alternate suppliers. There is no need for concern. The alternate suppliers have been making inflators and air bags since the late 1980's and early 1990's without experiencing any events like we've seen with the recalled Takata inflators.

This process I've just described is unprecedented. But parts production is already ramping up. And communication will be key to the success of these complex supply chains.

To sum up what I've just covered, the agency worked with the vehicle manufacturers to develop a risk assessment methodology that all agree makes sense based on the currently known risk factors. The manufacturers have each prioritized all of their recalled vehicles into risk priority groups. And they are working with the alternate suppliers, and with Takata, to develop alternate replacement parts that will allow them to quickly and dramatically increase the number of replacement parts for consumers.