

## **Transcript of DOT Press Conference on Takata Air Bag Recalls**

### **DOT Secretary Anthony Foxx and NHTSA Administrator Mark Rosekind**

**May 19, 2015 04:22PM ET**

Transportation Secretary Anthony Foxx and National Highway Traffic Safety Administration Administrator Mark Rosekind hold a news conference to "make a major announcement" regarding the NHTSA's investigation into defective air bags manufactured by Takata.

Subject: Transportation Location: Transportation Department, 1200 New Jersey Avenue SE., Media Center, Washington, DC; Time: 14:00:00 Date: 2015-05-19

#### **FOXX: Good afternoon.**

At USDOT, our first task is safety. And today we're taking steps that make sure every American car and truck is safer because it has air bags that work properly.

Over the last several months, air bags made by the world's largest air bag manufacturer, Takata, have come under question. The air bag inflators, we suspected, did not work correctly. And we believe that they have been responsible for at least five deaths in the United States.

But up until now, Takata has refused to acknowledge that their air bags are defective. That changes today. Today, I announce that Takata has agreed to declare that air bag inflators are defective. It is recalling these inflators, and these recalls are nationwide.

Let me repeat that. Takata has agreed to declare that their air bag inflators are defective.

Administrator Rosekind will delve into the details in a moment, but for now, I will say that these defect notifications greatly expand the scope of the recalls already underway. Based on data from Takata's defect filings, they will roughly double the number of affected vehicles in the United States to nearly 34 million.

I want to say a word of thanks to Administrator Rosekind and the entire NHTSA team for the work they've done on this issue. Takata has agreed to enter into a consent order with NHTSA. It requires the company's full cooperation with the agency going forward.

NHTSA is launching a legal process that will allow us to bring together auto manufacturers whose vehicles are affected, along with Takata and other parts suppliers.

That way, they can organize this recall effort and get it done as quickly and effectively as possible. NHTSA has also begun its own testing program, which will make sure that the replacement air bag inflators are in fact safe.

This is a monumental effort. There is no doubt about it.

This recall involves 11 auto manufacturers. Many different part suppliers, not just Takata, and roughly double the number of vehicles built in the United States every year.

It's fair to say this is probably the most complex consumer safety recall in U.S. history. So we have a lot of work to do, especially with regard to why this happened in the first place.

Takata still has not identified the root cause of the defect, but we cannot let that delay our actions that we're taking today.

Lives are at stake. It's our job to protect them, and so that's why we're doing what we're doing today.

Let me say in conclusion one final thing. Automakers and manufacturers have a safety responsibility that they must live up to. There are no excuses.

We used the authority we had to impose a daily fine on Takata for failing to cooperate with our investigation. But the goal, at the end of the day, is not to collect money: it's to improve safety and to protect lives.

This is why we didn't let up in our efforts to hold Takata accountable, to reach this point where more faulty air bags could be recalled. And this is also why we've proposed in our reauthorization bill, the GROW AMERICA Act, to not only raise the maximum fine we can impose from \$35 million to \$300 million, but to gain additional authority to help us force recalls.

Our proposal would also help us meet the challenge of quickly identifying and fixing auto defects through recalls by more than doubling the size of NHTSA's Office of Safety Defects and Investigations.

Because we know our work does not end here, we will continue working every day towards a safer auto industry. And with that, I want to thank again the team at NHTSA, and turn it over to Administrator Rosekind.

**ROSEKIND: Thank you, Secretary Foxx.**

Air bags save lives. And as the Secretary explained, a safe air bag in every vehicle is everyone's expectation and NHTSA's goal.

Today, we take a significant step toward meeting that expectation and goal. The question any vehicle owner will have is, how does this affect me?

We know that owners are worried about their safety and the safety of their families. First, millions of Americans have vehicles already under recall. They may already have received a recall notice from their manufacturer. If they have, they should immediately call their local dealer to make arrangements for free repairs.

Millions more Americans own vehicles covered by the new, expanded recalls necessary under the defect determination Takata has filed today. When a parts supplier files a defect report, affected automakers then follow with the own defect notifications. Those documents will include detailed make and model information. We've established a Web site:

[Safercar.gov/RecallsSpotlight](http://Safercar.gov/RecallsSpotlight). Safercar.gov/RecallsSpotlight. And that Web site will have information on high profile recalls. The Takata section of that Web site will be updated with information on which cars are affected by the Takata issue as quickly as possible.

We are working with automakers to help provide that information to consumers as soon as possible, but it is likely to take at least a few days to get all that information organized.

We recommend that vehicle owners check their vehicle identification number for open recalls often by using the VIN lookup tool that's at [safercar.gov](http://safercar.gov).

And again, if you receive a notification from your manufacturer, please make an appointment to have your vehicle repaired.

Takata's defect notifications are a significant step toward our goal of a safe air bag in every American vehicle. But as we've said repeatedly, and emphasized again this week, it's not enough to identify defects: to save lives and prevent injuries, defects must be repaired.

That's why we are launching the coordinated remedy proceeding. At more than 33 million vehicles and with 11 manufacturers and multiple suppliers involved, this is an enormously complex situation.

We want to ensure that the remedy is organized so that safety comes first. We will coordinate remedy actions to ensure that we are appropriately addressing the highest risks quickly, and that every American who was at risk gets a safe air bag in their vehicle as rapidly as possible.

In addition, NHTSA has begun its own testing plan. Already Takata, individual manufacturers, a coalition of manufacturers and private plaintiffs have launched testing programs. However, given the size and complexity of this recall, we will conduct our own testing to confirm results of other testing programs and especially to focus on the intended remedy to ensure that remedy inflators aren't just safer, but are fully safe.

So that's why the consent order that Takata has entered into, requires the company to fully cooperate with NHTSA's evaluation of the adequacy of proposed remedy inflators. That consent order is extremely thorough. I want to highlight just a few other elements. So Takata must cooperate in all NHTSA actions and proceedings, including testing and evaluations of remedy.

The investigation remains open. Takata shall at NHTSA's direction file amended defect notifications based on automaker expansions of their recalls. If an automaker were to announce an expansion, we can direct Takata to follow. Further, civil penalties are possible related to findings of NHTSA's investigation. Takata has to provide a plan on efforts to maximize completion efforts, and Takata must provide test data establishing service life of remedy inflators.

We intend to make sure that at the end of this process, there is a safe air bag in every vehicle. Safe not just for a little while, but safe for as long as these vehicles are on the road.

**And I'll take questions.**

QUESTION: Given the fact that consumers are already having trouble getting these repairs done for the amount of recalls that are out there, how long is this going to take and what should consumers do in the meantime?

I mean, it's already a problem getting these replacement air bags in.

ROSEKIND: We are actually using a fairly unique element of our authority that came out in the TREAD Act, which is this coordinated remedy program. Because of the size and scope, NHTSA will be coordinating all of these different pieces.

So, to your point, there are so many complexities about having supplies available, getting notifications out, and making sure correct repairs, effective inflators are inserted. So, the timing, I think the big question is how long is this going to take? Nobody knows that yet.

**There is no question it could be some years.**

**QUESTION: So what do we do in the meantime?**

ROSEKIND: So in the -- what do consumers do in the meantime? They need to get to the VIN lookup. If they find that their car, their inflator is covered, then they need to call their dealer and make an appointment to get their inflator fixed.

**QUESTION: (OFF-MIKE) Air bag in there?**

ROSEKIND: So, the question is, do I keep driving until I can put the inflator, a new inflator in there?

First is, NHTSA is now involved at a level to help coordinate and make sure we accelerate as best we can, making sure safe inflators are available.

So part of the push, to the first question as well, is to make sure that people continually look, so as soon as inflators are available, we get them into cars. Yes, people need to drive their cars, but continually be getting to their dealer to make sure it gets replaced as soon as possible.

I cannot say enough times, wear your seat belt. It's the most important thing as a safety for occupant protection, and the other is, air bags save lives. We have to make sure the one in everybody's car is safe.

**Yes?**

QUESTION: Two questions. So, for five months Takata refused to declare these vehicles defective. Can you tell us what prompted this reversal by them? Was it the government's pressure?

**(LAUGHTER)**

ROSEKIND: NHTSA actually for months has already been working on a unilateral plan to ensure that we would get a safe air bag in every vehicle, and so our plan has been progressing. I will acknowledge that Takata stepped up by providing these defect information reports that helped move this forward in ways that allow much more progress.

So, we were already on a plan. Takata provided certain elements, like offering to submit these defect reports. And that of course gives us a more efficient and productive way to move forward.

Let's not -- the defects are just the beginning. The consent order is extremely thorough. They have agreed to a tremendous number of pieces that will allow us to move this forward, and the coordinated remedy is going to be critical, because this is, over the long haul, going to be very involved and complex.

QUESTION: And are the 11 auto companies going to voluntarily recall these vehicles, do you think, now that this determination has been filed?

ROSEKIND: If they're going to voluntarily, that we'll all find out shortly. As we know, once the supplier has filed a defect, they need to follow suit quickly. There's a relatively short timeline to find that, and you and we will be finding out very shortly.

We'll use that as an opportunity to also tell everybody that at 2:30 today, all of the materials that we're talking about, the consent order et cetera, will be available at [safercar.gov](http://safercar.gov), [safercar.gov/RecallsSpotlight](http://safercar.gov/RecallsSpotlight).

So, all the information we talk about will be available there. And everyone, going to keep saying it, check your VIN number on [safercar.gov](http://safercar.gov) to see when you should call and get an appointment to have it repaired.

**QUESTION: (OFF-MIKE)**

... whether the \$14,000 a day fines are continuing?

ROSEKIND: So, the question has to do with penalties, previous and current. The previous penalties have accumulated to over \$1 million at this point. They are suspended right now until we sort of see what the going-forward plan is. Clearly laid out in the consent order is that further penalties could be forthcoming based on what our investigation finds.

**Yes sir?**

QUESTION: You said you're not too sure about the causes, but do you have any – at this point, do you have any presumed root causes at this point?

And then how long do you think Takata is going to take for Takata to find the root causes?

**(LAUGHTER)**

ROSEKIND: The question has to do with the root cause, and sort of how long it might take to figure that out. At this point, there is no specific information about the root cause. There are hints. So it is clear that moisture can affect the chemical structure of the propellant that is used in the inflator.

And that change in chemical structure basically allows the propellant, when ignited, to burn hotter than it should, and that increased pressure is what causes the rupture to occur.

That part is known. That's all that's known. And part of the challenge is that--just to be clear--there are four defect information reports: one for driver side, three for passenger side. So that's part of the issue here is there are multiple.

So the other part of the question is, when are we going to find out? We don't know.

And in fact, I don't mind saying that part of the reason the Secretary and I are here to talk about such a significant advance is because we don't know when that answer is going to come forward, and we can't wait for the safety of the American people to have that answer before we move forward with a remedy that's going to work.

QUESTION: On that note, can you touch on briefly how you got to the number of 34 million, given you still don't know the root cause?

How did NHTSA get to that number, and do you feel that's the entire universe of everything we're talking about?

**ROSEKIND: So how did we get to that number?**

Right now, it's the information we have available from the expansion and the secretary already mentioned this. We were already pretty much at 17 million to 18 million. This expansion takes it to pretty close to 34 million.

But I appreciate you asking that, because we don't know the exact number yet.

So when the manufacturers get back to us with all their make and models, we'll be able to tighten that number up to get it closer. Because they will have to tell us which cars, right makes and models where these inflators are actually installed.

QUESTION: (OFF-MIKE) ... recall of 20 million vehicles?

ROSEKIND: So, yeah OK, is this the largest recall that we know of? So as far as we know, this is the largest recall in auto history. Others are doing research and suggest it could be one of the largest if not the largest in all of consumer recalls.

QUESTION: How comfortable are you with the air bags that Takata is currently putting in? Are you comfortable that these are safe air bags, since you obviously haven't done your own testing yet?

ROSEKIND: So the question is are the current remedy inflators that are being used, and I'm going to use my language, safe?

And I think that's been a concern, and I'm not doing semantics here, but the concern has been that if remedy inflators have not been tested to ensure that they're good for as long as the vehicle is out there, there is a concern.

So, you have just highlighted why NHTSA will now be involved in both directing and oversight for testing of the remedies to ensure that we have an effective remedy that is long-standing.

**QUESTION: (OFF-MIKE)**

ROSEKIND: I think -- so, should consumers be concerned about the remedy that's going in? Our plan is to make sure that very clearly, there will be a test to ensure that the final remedy, the final inflator that goes in, will be safe, period.

Right now, we know that the ones that are going in are safer. The concern is, are they safe over the long term? That has yet to be determined. And just to be very direct, that does mean that some people might have to go back for a second if we find out that current remedies need to be enhanced, then yes, consumers might have to go back for a second time.

Please, this is exactly why we call this not just large, but very complex.

NHTSA will do its best to provide clarity to consumers about what they need to do, and that's why starting to, as soon as you can, start checking the VIN.

If you're notified, get that remedy as soon as you can.

**Thank you very much.**

**END**