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November 16, 2020

VIA E-MAIL

Jonathan Morrison
Chief Counsel
National Highway Traffic Safety Administration
Room W41-227
1200 New Jersey Avenue, S.E.
Washington D.C. 20590

Re: Docket No. NHTSA-2015-0055 – Mercedes-Benz USA, LLC - Request for Partial Extension of Priority Group 10 Sufficient Supply and Launch Deadline

Dear Mr. Morrison:

On behalf of our clients, Mercedes-Benz AG (“MBAG”) and Mercedes-Benz USA, LLC (“MBUSA”) (collectively, Mercedes-Benz), and pursuant to ¶ 39 of the Third Amended Coordinated Remedy Order (“ACRO”) to address the Takata recalls, this letter requests an extension of time in which to meet the sufficient supply and remedy launch deadline for a portion of Mercedes-Benz vehicles that are the final sub-set of Priority Group (“PG”) 10.

Pursuant to ¶ 33 of the Fifth Amendment to the Takata Coordinated Remedy Order (“Fifth ACRO”) and Mercedes-Benz’s subsequent September 6, 2019 extension request, the current sufficient supply and remedy launch deadline for the remaining portion of Mercedes-Benz’s PG 10 vehicles is currently November 30, 2020. Mercedes-Benz has launched recalls for all other vehicles covered under the Takata coordinated remedy orders, but due to extenuating circumstances stemming solely at its supplier, sufficient quantities of one unique passenger-side airbag module part number that affects one vehicle platform will not be ready at the time of the launch date. The basis for Mercedes-Benz’s request [

Mercedes-Benz has worked closely with the supplier throughout the investigation of this issue to minimize the effects of the supply disruption. At this time,

] The details surrounding the extension request are provided below.

As background, beginning in mid-2019, Mercedes-Benz's single source supplier for the United States [] began to restructure its operations and relocate, reorganize and close certain of its production facilities following []. Mercedes-Benz objected to these changes due to the potential for service disruptions, but which [] carried out nevertheless. One of the sites that [] relocated was []. This production line was moved from the [] to the [] during which the supplier changed the process for []. Following the relocation of the line, the supplier identified a quality-related concern [] which affected the launch of the remedy for the C204 platform. Mercedes-Benz and [] believed that the root cause had been identified in summer 2020, and containment actions were taken. The issue still led to production related delays and also delays to Mercedes-Benz's overall recall launch schedule.

More recently, the supplier has informed Mercedes-Benz that it in fact has not been able to successfully identify the root cause affecting the []. In this instance, there are []

.] As production continued

The topic was escalated to [].] Due to the effects and restrictions of the COVID-19 pandemic, travel to the production facilities has been prohibited and the investigation process has had to be carried out virtually, preventing

making the investigation even more complex and time-consuming.

In early November 2020, [] advised Mercedes-Benz that it believes it has identified [].] At this time, [] is unable to provide the anticipated date for when it may resume production, or at what capacity it may do so.

The vehicles affected by this request are set out in the chart below:

Make	PG	Platform	Platform/Model	Position	Model Years	Volumes	Region	Launch Date (owner letters)
Mercedes-Benz	10	207	207/E-Class Coupe/Cabrio	PAB	2014 - 2017	28, 828	A	to be determined
Mercedes-Benz	10	207	207/E-Class Coupe/Cabrio	PAB	2012 - 2017	13,370	non-A	to be determined

These vehicles are the last segment of the final Priority Group where Mercedes-Benz is to launch a recall. Mercedes-Benz has now launched all recalls and notified consumers for vehicles in all other Takata Priority Groups covered under the various coordinated remedy orders, including those that were subject to prior Mercedes-Benz extension requests.

Because [] is unable to advise Mercedes-Benz on a more finite date for resuming production, Mercedes-Benz is currently unable to identify an exact launch date for this subset of PG 10 vehicles. Still, Mercedes-Benz remains in very close contact with its supplier and is carefully monitoring its operations so that it can launch the recall in the field as soon as practicable. Once Mercedes-Benz is able to ascertain a more definitive expected launch date for the remaining PG 10 207 platform vehicles, it will notify NHTSA.

We appreciate your consideration in this regard and are available to provide additional information to the agency if needed.

Sincerely,



Jacqueline Glassman
Partner

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