October 15, 2014

David Friedman, Deputy Administrator National Highway Traffic Safety Administration (NHTSA) 1200 New Jersey Avenue, SE Washington, DC 20590

Dear Deputy Administrator Friedman:

In passing the Tread Act in 2000 in the aftermath of the Ford Explorer/Firestone tire defect that killed over 200 people in vehicle rollovers, Congress gave NHTSA a powerful new tool to find vehicle defects by requiring manufacturers to provide Early Warning Reports (EWRs) of "all incidents of which the manufacturer receives actual notice which involve fatalities or serious injuries which are alleged or proven to have been caused by a possible defect in such manufacturer's motor vehicle or motor vehicle equipment." NHTSA has failed to use EWR Death and Injury reports as envisioned by Congress to prevent mass defects like Ford Explorer. How else does one explain Toyota unintended acceleration and the GM ignition switch mass defects? On March 7, 2014, the Center wrote you about NHTSA's failure to use 51 GM EWR Death Reports to spot the GM ignition switch mass defect before it exploded in 2014. Although CAS posed 9 key questions in that letter about NHTSA's failure to use EWR reports and investigate the GM ignition switch mass defect, NHTSA never answered that letter.

In the Takata airbag mass defect, the Center has uncovered an even more egregious abuse of the invaluable EWR Death and Injury Reporting System - Honda is not reporting all death and injury claims filed against it with NHTSA as required by the Tread Act and NHTSA's implementing regulation. In May 2009, Ashley Parham was killed in an Oklahoma parking lot when the driver airbag exploded in a 2001 Honda Accord. KOCO TV reported: "The Parham family did sue Honda. Court documents indicate that the family settled the case for \$5,000 with the money to go to Parham's younger brother. He was in the car and witnessed his sister's death." Yet Honda filed no EWR Death Report with NHTSA.

On August 6, 2013, the driver of a 2005 Honda Civic was severely injured when her driver airbag exploded and sent shrapnel into face. Even though the attorney's office filed a VOQ report with NHTSA, (10537899), Honda failed to file an EWR Injury Report with NHTSA. Examination of EWR reports filed by Honda versus GM and Toyota suggest that Honda is systematically under reporting Death and Injury claims against the company. In 2013 GM and Toyota respectively reported 1,716 and 1,774 EWR Death and Injury claims to NHTSA while Honda only reported 28. In the first Quarter of 2014, GM reported 505, Toyota 377 and Honda 6. Even Hyundai which sells less than half as many vehicles as Honda reported 110 EWR Death and Injury claims to NHTSA from 2013 thru the first Quarter of 2014 (three times as many reports as Honda).

On <u>December 5, 2011</u>, the Center wrote former Administrator David Strickland seeking the maximum civil penalty against Honda for not recalling all defective vehicles with exploding Takata airbag inflator modules when Honda first realized it had a mass airbag defect on its hands:

NHTSA is to be commended for trying to get to the bottom of Honda's obfuscation on defective driver airbag inflators in August 2009 when there were only two recalls. Since then, there have been three more Honda recalls for defective driver airbag inflators. It's time to find out just exactly what Honda knew and when. This is a lethal defect that kills and severely injures unsuspecting drivers. Honda has known about this lethal defect since at least 2007 and perhaps as early as May 2004 as noted to NHTSA in September 2009 that it had "re-discovered" "an earlier unusual deployment."

In view of the discovery that Honda has failed to comply with the EWR reporting requirements in the Tread Act and implementing NHTSA regulations on the Takata airbag mass defect, the Center calls on NHTSA to refer this matter to the Justice Department for a criminal investigation under 18 USC § 1001.

Sincerely,

Clarence M. Ditlow Executive Director

cc: Secretary Anthony Foxx
Inspector General Calvin Scovell
U.S. Attorney Preet Bharara
Senator Jay Rockefeller
Senator John Thune
Senator Claire McCaskill
Senator Richard Blumenthal
Senator Edward Markey
Rep. Fred Upton

Clare Other

Rep. Henry Waxman Rep. Tim Murphy Rep. Diana DeGette