



U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

1200 New Jersey Avenue SE.
Washington, DC 20590

June 19, 2015

Andrew Levander, Esquire
Counsel to TK Holdings, Inc.
1900 K Street NW
Washington, DC 20006

Dear Mr. Levander:

As you know, as part of the National Highway Traffic Safety Administration's (NHTSA) ongoing investigation of defective Takata¹ air bag inflators, and NHTSA's oversight of the associated remedies, NHTSA has opened a Coordinated Remedy Program proceeding to facilitate and ensure, industry-wide, the adequate and appropriate remedy of affected vehicles. *See Notice of Coordinated Remedy Program Proceeding for the Replacement of Certain Takata Air Bag Inflators*, 80 FED. REG. 32,197 (June 5, 2015). NHTSA believes that the risk of harm presented by the Takata air bag inflators transcends the scope of the usual Safety Act recall. Further, remedy programs individual to each Vehicle Manufacturer² creates a patch-work solution that NHTSA believes may not adequately address the safety risks presented by the defective inflators within a reasonable time. Thus, the Coordinated Remedy Program is a necessary step in achieving our shared safety goals, including that consumers in the United States have the protections they were promised and expect when it comes to the safe functioning of their vehicle air bags.

Through the Coordinated Remedy Program proceeding NHTSA seeks to promote a full, open, and collaborative process, without compromising NHTSA's objectives of safety, that facilitates thoughtful problem-solving and engages the affected Vehicle Manufacturers, Takata,

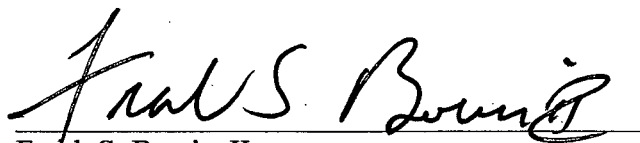
¹ TK Holdings, Inc.

² To date, this includes: BMW of North America, LLC ("BMW"), Chrysler Group, LLC ("Chrysler"), Daimler Trucks North America, LLC ("DTNA"), Ford Motor Company ("Ford"), General Motors, LLC ("GM"), American Honda Motor Company ("Honda"), Mazda North American Operations ("Mazda"), Mitsubishi Motors North America, Inc. ("Mitsubishi"), Nissan North America, Inc. ("Nissan"), Subaru of America, Inc. ("Subaru"), and Toyota Motor Engineering and Manufacturing ("Toyota").

and other Tier One Suppliers³ in developing and implementing solutions to this significant safety risk. This process will develop solutions for the prioritization, organization, and phasing of remedy programs to appropriately address the multitude of factors contributing to the complexity of these recall programs. These factors include, but are not limited to, environmental factors (including air bag age), sourcing and production of replacements given the volume of parts required, urgency of timely vehicle remedies, allocation, delivery, installation, owner notification, and adequacy of the remedy (including subsequent replacement of certain initial replacement inflators). To be clear, through this process NHTSA seeks, and expects, timely 100% completion rates for the recall and remedy of Takata air bag inflators subject to defect determinations. Further, NHTSA hopes to inspire the creativity, energy, and problem-solving determination of each Vehicle Manufacturer and Tier One Supplier, including Takata, in service to the American people and your customers.

Accordingly, NHTSA is sending a Third Special Order Directed to TK Holdings, Inc. While I understand that Takata would voluntarily provide answers to these questions if asked by NHTSA, given NHTSA's open and ongoing investigation in EA15-001, NHTSA is obligated to issue these questions subject to compulsory process pursuant to 49 U.S.C. § 30166(g)(1)(A). Please know that after they have been submitted to NHTSA, answers to the Third Special Order will be placed in Docket No. NHTSA-2015-0055 as part of the official record in the Coordinated Remedy Program proceeding. As you will see, the questions posed largely track the questions for public comment set forth in our June 5, 2015 Federal Register notice and will facilitate robust dialog in future meetings with the agency. We are happy to work with you to address concerns you may have about confidentiality or issues otherwise related to the sharing of business information. There will be a public docket as well as a confidential docket to protect confidential information from public view. Requests for confidentiality of submissions to the docket should be made pursuant to the procedures set forth in 49 CFR Part 512.

The staff at NHTSA is committed to working collaboratively with the automotive industry as a whole to expeditiously remedy the risk to safety posed by the defective air bag inflators. We look forward to working with you to achieve that goal. Please feel free to contact my office, or the Office of the Chief Counsel, with questions or concerns.



Frank S. Borris, II
Acting Associate Administrator for Enforcement

Attachment: Third Special Order Directed to TK Holdings, Inc.

cc: Mr. Michael Rains, TK Holdings, Inc.

³ Including ARC Automotive, Inc. ("ARC"), Autoliv Americas ("Autoliv"), Key Safety Systems ("Key Safety"), Toyota Gosei North America Corporation ("Toyota"), TRW Automotive ("TRW"), and Special Devices, Inc./Daicel Group ("Daicel").

**UNITED STATES DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION**
1200 New Jersey Avenue, SE
West Building, W41-326
Washington, DC 20590

In re:)
)
EA15-001)
(formerly PE14-016))
Air Bag Inflator Rupture)
)

THIRD SPECIAL ORDER DIRECTED TO TK HOLDINGS, INC.

To:

Mike Rains
Product Safety Director
TK Holdings Inc.
2500 Takata Drive
Auburn Hills, MI 48326

Andrew Levander, Esquire
Dechert LLP
1900 K Street, NW
Washington, DC 20006

This Special Order¹ is issued by the Secretary of Transportation pursuant to 49 U.S.C. § 30166(g)(1)(A) and 49 C.F.R. §§ 510.7 and 510.8, and pursuant to a delegation of authority to the Chief Counsel of the National Highway Traffic Safety Administration (“NHTSA”), an Operating Administration of the United States Department of Transportation, 49 C.F.R. §§ 1.95, 501.8(d).

As part of NHTSA’s ongoing investigation in EA15-001, and accompanying remedial actions, including, but not limited to, the agency’s opening of a coordinated remedy program proceeding and possible issuance of an accelerated remedy order pursuant to 49 U.S.C. § 30120(c)(3), NHTSA, by this Special Order, hereby demands that TK Holdings Inc. (“Takata”) file certain reports and answers to questions under oath, and produce certain documents.

Takata’s response to this Special Order must be provided by **July 10, 2015**, and

¹ A Special Order is the functional equivalent of a subpoena. See 49 U.S.C. § 30166(g).

supplemental responses shall be provided to NHTSA on the tenth day of every month thereafter, beginning on August 10, 2015, and continuing until such time as NHTSA notifies Takata that additional supplemental responses are no longer required.

The response must be signed under oath, i.e., accompanied by an affidavit, signed by a responsible officer of TK Holdings Inc., stating that he/she has undertaken and directed an inquiry reasonably calculated to assure that the answers and production of documents are complete and accurate, that he/she has caused the documents of Takata to be searched diligently for information and documents responsive to this Special Order and produced them to NHTSA, and that the answers to the inquiries provided to NHTSA respond completely and accurately to this Special Order. 49 U.S.C. § 30166(g)(1)(A); 49 C.F.R. § 510.7.

Failure to respond fully or truthfully to this Special Order may result in a referral to the United States Department of Justice for a civil action to compel responses, and may subject Takata to civil penalties of up to \$7,000 per day, up to a maximum penalty of \$35,000,000 for a related series of daily violations. 49 U.S.C. §§ 30163(a)(1), 30165(a)(3); 49 C.F.R. § 578.6(a)(3). Any supplemental response that is not timely submitted in accordance with the monthly schedule described above will constitute a separate violation, and may result in additional daily civil penalties. Falsifying or withholding information in response to this Special Order may also lead to criminal penalties of a fine or imprisonment of up to 15 years, or both. 49 U.S.C. § 30170(a)(1).

DEFINITIONS

These Definitions include new, additional, or differing requirements from those included in the prior Special Orders issued to Takata on October 30, 2014 and November 18, 2014.

To the extent used in this Special Order, the following definitions apply:

1. The definitions of **“manufacturer,” “motor vehicle,” “original equipment,”** and **“replacement equipment”** can be found in 49 U.S.C. § 30102 and 49 C.F.R. § 573.4.

2. **“Document(s)”** is used in the broadest sense of the word under Rule 34 of the Federal Rules of Civil Procedure and shall mean all written, printed, typed, recorded, or graphic matter of every kind, nature, and description, however produced or reproduced, whether draft or final, original or reproduction, signed or unsigned, electronic or hard copy, and regardless of whether approved, signed, sent, received, redrafted, or executed, including but not limited to: written communications, letters, correspondence, facsimiles, e-mail, instant messages, text messages, agendas, memoranda, minutes, notes, summaries, reports, voicemails, films, photographs, recordings of any type, transcripts, contracts, agreements, purchase or sales orders, specifications, drawings, diagrams, diaries, journals, logs, desk calendars, interoffice communications, reports, studies, bills, checks, income statements, balance sheets, books of account, ledgers and other financial records, and all information generated by or stored by computer, including without limitation, electronic writings, records, files, reports, hard drives, backup data, removable computer storage media (such as flash drives, tapes, disks, and cards), printouts, document image files, web pages, databases, spreadsheets, software, and digital recordings, or material similar to any of the foregoing however denominated, by whomever prepared, and to whomever addressed, which are in your possession, custody or control or to

which you have had or can obtain access. Any document, record, graph, chart, film or photograph originally produced in color must be provided in color.

3. **“Employee”** means a person who works in the service of another person (the employer) under an express or implied contract of hire, under which the employer has the right to control the details of work performance.

4. **“High Absolute Humidity Region”** includes the following states and U.S. territories: Alabama, Florida, Georgia, Hawaii, Louisiana, Mississippi, Puerto Rico, South Carolina, Texas, the U.S. Virgin Islands, and the outlying U.S. territories.

5. **“Recall”** means any safety recall or similar remedial action (including all 2014 and 2015 regional or national safety improvement campaigns) initiated by BMW of North America, LLC (“BMW”); Chrysler Group, LLC (“Chrysler”); Daimler Truck North America, LLC (“DTNA”); Ford Motor Company (“Ford”); General Motors, LLC (“GM”); American Honda Motor Company (“Honda”); Mazda Motor Corporation (“Mazda”); Mitsubishi Motors North America, Inc. (“Mitsubishi”); Nissan North America, Inc. (“Nissan”); Subaru of America, Inc. (“Subaru”); and/or Toyota Motor Engineering & Manufacturing North America, Inc. (“Toyota”) from November 1, 2008 to the present, where the safety risk involves the rupture, or potential for rupture, of Takata Inflators.

6. **“Replacement Inflators”** means any driver and/or passenger frontal air bag inflator (including any associated hardware and/or fasteners, i.e., remedy kits) or any air bag module (i.e., the inflator, housing, air bag cover and any associated hardware and/or fasteners), being manufactured or supplied by you for use as replacement parts in connection with any

remedy program being conducted by a motor vehicle manufacturer in connection with any recall involving a Takata inflator.

7. **“Takata”** means TK Holdings, Inc. and Takata Corporation, all of their past and present officers and employees, whether assigned to their principal offices or any of their field or other locations, including all of their divisions, subsidiaries (whether or not incorporated) and affiliated enterprises, and all of their headquarters, regional, zone and other offices and their employees, and all agents, contractors, consultants, attorneys and law firms and other persons engaged directly or indirectly (e.g., employee of a consultant) by or under the control of TK Holdings, Inc. or Takata Corporation (including all business units and persons previously referred to).

8. **“Takata Inflators”** means the driver and passenger frontal air bag inflator modules and attached air bags manufactured by Takata between January 1, 2000 and the present, including, but not limited to, inflators designated by Takata and/or its customers as driver side inflator types SDI, PSDI, PSDI-4, and PSDI-4K, and passenger side inflator types SPI, PSPI, and PSPI-L.

9. **“You”** or **“Your”** means each individual party to whom this Third Special Order is directed. This definition includes all of your past and present officers and employees, whether assigned to their principal offices or any of their field or other locations, including all of their divisions, subsidiaries (whether or not incorporated) and affiliated enterprises and all of their headquarters, regional, zone and other offices and their employees, and all agents, contractors, consultants, attorneys and law firms and other persons engaged directly or indirectly (e.g., employee of a consultant) by or under your control (including all business units and persons previously referred to).

INSTRUCTIONS

These Instructions may include new, additional, or differing requirements from those included in the prior Special Orders issued to Takata on October 30, 2014 and November 18, 2014. You are cautioned to review these Instructions closely to ensure that your response to this Special Order complies with the following:

1. Please send your response to this Special Order to Office of the Chief Counsel (NCC-111), National Highway Traffic Safety Administration, West Building, W41-326, 1200 New Jersey Avenue, SE, Washington, DC 20590.

2. Your response to this Special Order shall be provided to NHTSA by **July 10, 2015**, and supplemental responses shall be provided to NHTSA on the first day of every month thereafter, beginning August 1, 2015, and continuing until such time as NHTSA notifies you that additional supplemental responses are no longer required.

3. Please repeat the applicable request verbatim above your response. After your response to each request, identify the source of the information and indicate the last date the information was gathered.

4. When a request calls for a detailed, narrative response, do not identify business records or other documents in lieu of providing a written narrative. A response to a request for a written narrative that solely directs NHTSA to documents will be considered non-responsive, and may result in civil penalties. 49 U.S.C. §§ 30163(a)(1), 30165(a)(3); 49 C.F.R. § 578.6(a)(3). A response to a request for a detailed, narrative response that includes references to specific Bates Number(s) in addition to a written narrative will not be considered a violation of this Instruction.

5. After your response to each request, state whether you previously had any

responsive documents that are no longer within your possession, custody, or control, including, but not limited to, documents that were lost or destroyed. If such documents ever existed: describe the documents; identify the reason that the documents are no longer in your possession, custody, or control; and identify the date on which you last had the documents.

6. When documents are produced and the documents would not, standing alone, be self-explanatory, the production of documents shall be supplemented and accompanied by explanation. If the requisite explanation is not produced contemporaneously with the documents, NHTSA may require you to meet with NHTSA representatives to provide such an explanation.

7. Where a document responsive to a request is not in the English language, both the original document and an English translation of the document must be produced.

8. You are required to respond to every request listed in this Special Order. If you cannot respond to any specific request or subpart(s) thereof, please state the reason why you are unable to do so.

9. You are instructed and cautioned not to assert privilege in connection with any document(s) and/or information that you submit to the Agency. Should you anticipate doing so for any reason (and the Agency can contemplate none), you are instructed to contact Christie Iannetta at (202) 366-2239 to explain your position that such document(s) and/or information are privileged. Should you nevertheless decide to withhold any document(s) and/or information that is responsive to a request herein by claiming that such document(s) and/or information is privileged, then you must promptly prepare and provide a privilege log to the Office of Chief Counsel (NCC-111), National Highway Traffic Safety Administration, West Building, W41-326, 1200 New Jersey Avenue, SE, Washington, DC 20590. Your privilege log must be sufficiently detailed for the agency to assess whether a privilege designation is justified. At a minimum, it

shall set forth the privilege relied upon and shall include the following information for each document:

- (a) the document Bates-number range;
- (b) the identity and position of its author(s);
- (c) the identity and position of all addressees and recipients;
- (d) the date on which the document was prepared and, if different, the date(s) on which it was sent to or shared with persons other than its author(s);
- (e) the title of the document;
- (f) the document type and format;
- (g) the subject matter addressed in the document;
- (h) the purpose(s) for which the document was prepared or communicated; and
- (i) the specific basis for the claim that the document is privileged or protected.

The privilege log shall be submitted no later than fourteen business days after your written response to this Special Order is due.

10. If you claim that any of the information or documents provided in response to this Special Order constitutes confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or is protected from disclosure pursuant to 18 U.S.C. § 1905, then you must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 C.F.R. Part 512, to the Office of Chief Counsel (NCC-111), National Highway Traffic Safety Administration, West Building, W41-326, 1200 New Jersey Avenue, SE, Washington, DC 20590. You are required to submit two copies of the documents containing allegedly confidential information and one copy of the documents from which information claimed to be confidential has been deleted. Failure to adhere to the requirements of

49 C.F.R. Part 512 will result in a rejection of your request for confidential treatment.

11. All documents shall be produced electronically, as described below, and be accompanied by a Concordance-format load file.

(a) The reports referenced in Request No. 2 shall be produced in electronic PDF copy and hard copy.

(b) Hard copy documents shall be imaged in TIFF format. They shall be provided as multi-page TIFFs with document level OCR. The following metadata fields shall be provided for each document:

- i. Custodian—Name of person or division (if the document is from a file shared by multiple employees) from which the file is being produced;
- ii. Bates Begin—Beginning Production Number;
- iii. Bates End—Ending Production Number;
- iv. Attach Begin—Beginning Attachment Range Number;
- v. Attach End—Ending Attachment Range Number (i.e. parentage is maintained);
- vi. Request No.—Identification of the Third Special Order Request number(s) to which the document is responsive; and
- vii. Page Count.

(c) Electronically Stored Information (ESI) shall be converted to multi-page TIFF images and produced along with document level OCR/extracted text. The following metadata fields will be provided for non-email ESI:

- i. Custodian (name of custodian from which file is being produced);
- ii. Other Custodian(s) (name of other custodian(s) who had a copy of the file);
- iii. Doc Title (title of file from properties);
- iv. Doc Subject (subject of file from properties);
- v. Created Date (date the file was created);
- vi. Created Time (time the file was created);
- vii. Last Modified Date (date the file was last modified);
- viii. Last Modified Time (time the file was last modified);
- ix. Last Saved By (name of user who last saved the file);
- x. Doc Type (attachment or loose file);
- xi. File Type (Microsoft Word, Microsoft Excel, etc.);
- xii. File Name (names of the file);

- xiii. Full Path (full path location to where the file resided);
- xiv. File Ext (extension for the file);
- xv. MD5 Hash (or equivalent);
- xvi. Bates Begin (beginning production number);
- xvii. Bates End (ending production number);
- xviii. Attach Begin (beginning attachment range number);
- xix. Attach End—Ending Attachment Range Number (i.e. parentage is maintained);
- xx. Request No. (each Request number(s) that the document is responsive to);
- xxi. Page Count; and
- xxii. Native link (path to the native file as included in the production, e.g., d\PROD001\Natives\ABC00015.xls).

The following metadata fields will be provided for electronic mail:

- i. Custodian (name of custodian from which file is being produced);
- ii. Other Custodian(s) (name of other custodian(s) who had a copy of the file prior to de-duplication);
- iii. Author (FROM filed);
- iv. CC;
- v. BCC;
- vi. Recipient (TO field);
- vii. MD5 Hash Value (or equivalent);
- viii. Date Sent (date the email was sent);
- ix. Date Received (date the email was received);
- x. Time Sent (time the email was sent);
- xi. Time Received (time the email was received);
- xii. File Ext (extension for the file);
- xiii. Email Folder (the folder within the mailbox where the message resided);
- xiv. Body Text (extracted text);
- xv. Bates Begin (beginning production number);
- xvi. Bates End (ending production number);
- xvii. Attach Begin (beginning attachment range number);
- xviii. Attach End—Ending Attachment Range Number (i.e. parentage is maintained);
- xix. Request No. (each Request number(s) that the document is responsive to);
- xx. Page Count;
- xxi. Subject; and
- xxii. Native link (path to the native file as included in the production, e.g., d\PROD001\Natives\ABC00015.xls).

For all date fields, please produce them in either YYYYMMDD or MM/DD/YYYY

format. Do not include the time in any date fields. Electronic mail shall be produced

along with attachments to the extent the message or any attachment is responsive, relevant, and not privileged. As a general matter, subject to specific review, a message and its attachments shall not be withheld from production based on the fact that one or more attachments are privileged, irrelevant, or non-responsive.

(d) Excel spreadsheets, PowerPoint files (or like presentations), photographs, and brochures shall be produced both in native and TIFF formats. For Excel documents or any documents with embedded links to other files or documents, any linked files should be sequentially numbered and produced after the source file and the Attach Beg/Attach End fields be used to denote the parent/child relationship.

12. If a particular file is not provided in a common format (e.g., Word or PDF) and requires the use of special software that is not readily available, you must provide a copy of that software with its submission.

13. If documents responsive to this Special Order have been previously produced to NHTSA, you are required to identify the responsive document(s) by Bates Number(s).

14. The singular includes the plural; the plural includes the singular. The masculine gender includes the feminine and neuter genders; and the neuter gender includes the masculine and feminine genders. "And" as well as "or" shall be construed either disjunctively or conjunctively, to bring within the scope of this Third Special Order all responses that might otherwise be construed to be outside its scope. "Each" shall be construed to include "every" and "every" shall be construed to include "each." "Any" shall be construed to include "all" and "all" shall be construed to include "any." The use of a verb in any tense shall be construed as the use of the verb in a past or present tense, whenever necessary to bring within the scope of the document requests all responses which might otherwise be construed to be outside its scope.

15. The requests in this Special Order are deemed to be continuing in nature so as to require supplemental responses from you should you obtain or become aware of any new, additional, or differing responsive information and/or documents.

REQUESTS

In accordance with the monthly reporting requirements set out in Instruction No. 2 above, Takata shall respond to the following Requests:

1. To the extent Takata is in possession of new, additional, or differing information from what has been previously submitted to NHTSA, prepare and submit supplemental, narrative responses to: (a) the Special Order Directed to TK Holdings, Inc. dated October 30, 2014; (b) the Second Special Order Directed to TK Holdings, Inc. dated November 18, 2014; and (c) the General Order Directed to Manufacturers dated November 18, 2014. In its supplemental response(s), Takata shall identify, by highlighting or otherwise, the new, additional, or differing information.

2. File a report, identifying each and every frontal air bag inflator manufactured by Takata containing either the 2004 Propellant or 2004L Propellant that you supplied to any motor vehicle manufacturer. Your response shall be segregated by inflator type and shall identify the motor vehicle manufacturer (i.e., customer) and the dates on which you produced and/or supplied that inflator. Your response must be in excel format, using the following table as a reference:

2004/2004L Propellant	Inflator Type	Customer	Beginning of Production	End of Production	Number of Units
2004 Propellant					
	PSDI				
		Customer 1	01/01/2000	12/31/2005	1,000,000
		Customer 2	01/01/2002	12/31/2004	500,000

3. File a report that describes, in detail, all completed, ongoing, or planned

production or manufacture of Replacement Inflators. At a minimum your report(s) must include, but should not be limited to, the following:

(a) A timeline for the production of Replacement Inflators, including: (i) your current monthly production; (ii) your current monthly production capacity; (iii) the number of Replacement Inflators produced to date; and (iv) any increases in production capacity for Replacement Inflators that you anticipate in the future. Your response to these inquiries should be organized by facility/location, inflator type, and motor vehicle manufacturer (i.e. customer).

(b) A narrative statement identifying which Replacement Inflators are an interim remedy - i.e., inflators that will be subject to a subsequent recall when alternative remedy parts become available - and which Replacement Inflators Takata considers to be a final remedy.

(c) A narrative statement describing the percentage of your total monthly inflator production capacity for frontal air bags that will be devoted to Replacement Inflators as opposed to new vehicle production.

(d) A list of motor vehicle manufacturers for whom you are producing Replacement Inflators, including: (i) the remedy kit part number; (ii) the inflator types, with inflator code/prefix, that you previously produced for each motor vehicle manufacturer as original equipment, which are now subject to the U.S. Recall(s) or foreign recalls; (iii) the supplier of the inflator contained in the remedy kit; (iii) the total number of Replacement Inflators requested by the motor vehicle manufacturer for each inflator type; and (iv) the total amount of Replacement Inflators supplied to date for each inflator type. Your response must be submitted in excel format, using **Appendix A** as a

guide:

(e) A narrative statement, by inflator type, setting forth the expected service life, in years, of the Replacement Inflators, and a detailed explanation as to how this information was established.

(f) A narrative statement of the challenges or limitations, if any, that you have encountered, are encountering, or expect to encounter in producing or manufacturing Replacement Inflators.

4. Provide a detailed, narrative explanation of all of the steps you have taken since November 5, 2014, or that you plan to take in the future, with approximate time estimates, to increase or expedite your production of Replacement Inflators.

5. Provide a detailed, narrative explanation of all of the steps you have taken since November 5, 2014, or that you plan to take in the future, with approximate time estimates, to expand the supply of Replacement Inflators by obtaining inflators or air bag components from other equipment manufacturers. Your response must: (i) identify the equipment manufacturers that you have contacted by entity name, primary point of contact, address, and telephone number; (ii) identify the date on which you first contacted each equipment manufacturer; (iii) describe the current status of the communications with each equipment manufacturer; and (iv) describe the inflators or air bag components that you sought to obtain from each equipment manufacturer including which specific Takata inflator type the inflators from other suppliers were intended to supplement or replace.

6. Provide a detailed, narrative explanation of the systems you have in place, or are developing or planning to develop, to trace the Replacement Inflators to a particular motor vehicle manufacturer. Include in your response an explanation of how Takata will be able to

determine the type and supplier of Replacement Inflator.

7. Provide a detailed, narrative explanation as to how you are currently allocating the Replacement Inflators that you have produced among the motor vehicle manufacturers (i.e., your customers), including any allocation among vehicles of highest risk of rupture whether in terms of years in service and/or geographic region.

8. Provide a detailed, narrative explanation of any and all testing that Takata has conducted, or that has been conducted by a third party on behalf of Takata, or that is planned to be conducted in the future, involving inflators designated by Takata and/or its customers as types SPI, PSPI, and PSPI-L, which was installed as original equipment on any motor vehicle that is currently outside the scope of the Part 573 Reports filed by Takata on May 18, 2015 - i.e., Recall Nos. 15E-041, 15E-042, and 15E-043.

9. Provide a detailed, narrative explanation of any and all testing that Takata has conducted, or that has been conducted by a third party on behalf of Takata, or that is planned to be conducted in the future, involving any frontal air bag inflator manufactured by Takata that contains the 2004 Propellant or 2004L Propellant (including, but not limited to, inflators designated by Takata and/or its customers as types PDP, PSDI-5, PSDI-X, PSPI-6, PSPI-X, SDI-X, SDI-X 1.7, SDP, SPI-D, and SPI-X) that is not currently the subject of any Recall(s) to determine whether these inflators are susceptible to rupturing and/or over-pressurization.

10. Provide a detailed, narrative explanation of the status of development or production of any alternative Replacement Inflator, whether manufactured by Takata or another entity, that does not contain the 2004 Propellant or that contains the 2004 Propellant with desiccant. Your response shall include, but should not be limited to, the anticipated timeline for the production of these alternative Replacement Inflators, the capacity at which you anticipate

being able to produce the alternative Replacement Inflators, and steps you have taken or that you plan to take in the future, with approximate time estimates, to increase or expedite your production of alternative Replacement Inflators.

11. Provide a detailed, narrative explanation for the phased remedy approach recommended in the Part 573 Reports filed by Takata on May 18, 2015 - i.e., Recall Nos. 15E-040, 15E-041, 15E-042, and 15E-043.

12. Provide a detailed, narrative explanation of the challenges that you expect to encounter, or that you would expect the industry as a whole to encounter, if NHTSA issued an accelerated remedy directive.

13. Provide a detailed, narrative explanation of any constructive ideas you have, if any, on how NHTSA could most effectively coordinate, or assist in the coordination of, the prioritization, organization, and phasing of recall and remedy programs involving the defective frontal air bag inflators.

14. Provide a detailed, narrative explanation of any ideas you have, if any, for ensuring that Vehicle Manufacturers and Takata achieve satisfactory (100%) recall/remedy completion rates for the affected air bag inflators.

15. Provide any further direction, commentary, or information that you believe may be helpful or useful, if any, in this coordinated remedy proceeding.

Dated: June __, 2015



Stephen Wood
Acting Chief Counsel

