



**COMMITTEE ON COMMERCE,  
SCIENCE, AND TRANSPORTATION**

**BILL NELSON  
RANKING MEMBER**

**Update to  
The Takata Recalls: Consumers Are  
Still Stuck in Neutral**

**OFFICE OF OVERSIGHT AND INVESTIGATIONS  
MINORITY STAFF REPORT**

**JULY 20, 2016**

## **BACKGROUND**

On March 9, 2016, Ranking Member Bill Nelson of the Senate Committee on Commerce, Science, and Transportation wrote to the 14 automakers then-affected by the Takata recalls asking a series of questions about their recall efforts and continued use of Takata airbags.<sup>1</sup> Information provided in response formed the basis for a June report, which found that at least four automakers – FCA, Mitsubishi, Toyota, and Volkswagen – were still selling new vehicles equipped with Takata non-desiccated ammonium-nitrate inflators that will have to be recalled by the end of 2018.<sup>2</sup> Non-desiccated ammonium-nitrate inflators are responsible for nearly all the deaths and injuries caused by rupturing Takata airbags.

Following the release of Ranking Member Nelson’s June report, both FCA and Toyota announced plans to request that dealers inform consumers purchasing new vehicles that contain Takata non-desiccated airbags that these vehicles will be recalled by the end of 2018.<sup>3</sup> In addition, as of June 22, 2016, FCA had ceased North American Free Trade Agreement-market production of new vehicles with Takata non-desiccated inflators.<sup>4</sup>

However, not all automakers fully answered the questions posed in Ranking Member Nelson’s March letter. Therefore, on June 8, 2016, Ranking Member Nelson sent follow-up letters to the 14 automakers in which he again requested information regarding the use of non-desiccated Takata airbags in new vehicles. He also sent similar letters on June 15, 2016, to three additional automakers – Ferrari, Jaguar Land Rover, and Tesla – whose vehicles are or will be subject to recall as a result of the National Highway Traffic Safety Administration’s (NHTSA) May 2016 amendment to the November 2015 Takata Consent Order.

## **UPDATE FINDINGS**

Based on the information provided by the automakers in response to Ranking Member Nelson’s June letter, at least three additional automakers – Daimler Vans, Ferrari, and Mercedes-Benz – are selling new vehicles equipped with Takata non-desiccated ammonium-nitrate inflators that will all be recalled by the end of 2018. In addition, BMW stated that non-desiccated ammonium-nitrate inflators were used in both driver and passenger-side airbags on some 2015 model-year vehicles but did not address whether any of these vehicles are currently

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<sup>1</sup> Letter from Ranking Member Bill Nelson to the 14 automakers (Mar. 9, 2016). The 14 automakers include: BMW of North America, LLC (BMW), Daimler Trucks North America (Daimler Trucks), Daimler Vans USA (Daimler Vans), FCA US LLC (FCA), Ford Motor Company (Ford), General Motors LLC (GM), Honda North America, Inc. (Honda), Mazda USA (Mazda), Mercedes-Benz USA (Mercedes-Benz), Mitsubishi Motors North America (Mitsubishi), Nissan North America, Inc. (Nissan), Subaru of America, Inc. (Subaru), Toyota Motor North America, Inc. (Toyota), and Volkswagen Group of America (Volkswagen).

<sup>2</sup> Senate Committee on Commerce, Science, and Transportation, *The Takata Recalls: Consumers Are Still Stuck in Neutral*, 114th Cong. (2016).

<sup>3</sup> *Toyota Tells U.S. Dealers to Disclose Future Takata Recalls*, Reuters (June 10, 2016); *FCA US Eliminates Use of Non-Desiccated Ammonium-Nitrate Takata Air-bag Inflators*, FCA US LLC (June 21, 2016).

<sup>4</sup> Letter from FCA US LLC to Ranking Member Bill Nelson, at 1 (June 22, 2016).

offered for sale on dealer lots.<sup>5</sup> As of July 19, 2016, Tesla had not provided a written response to Ranking Member Nelson’s letter.

To date, seven automakers – Daimler Vans, FCA, Ferrari, Mercedes-Benz, Mitsubishi, Toyota, and Volkswagen – have provided the Committee with information on the following specific makes and models that contain airbags that will be subject to future recall:

<u>Daimler Vans:</u> <b>2016 Mercedes-Benz Sprinter</b>	<u>Mitsubishi:</u> 2016 – 2017 Mitsubishi i-MiEV
<u>FCA:</u> <b>2016 Jeep Wrangler</b>	<u>Toyota:</u> <b>2015 Scion xB</b> <b>2015 Lexus IS250C / 350C</b> <b>2015 – 2016 Lexus GX460</b> <b>2015 – 2016 Toyota 4Runner</b>
<u>Ferrari:</u> <b>2016 Ferrari FF</b> <b>2016 – 2017 Ferrari California T</b> <b>2016 – 2017 Ferrari 488 GTB / 488 Spider</b> <b>2016 – 2017 Ferrari F12 / F12tdf</b> <b>2017 Ferrari GTC4 Lusso</b>	<u>Volkswagen:</u> 2016 Volkswagen CC 2016 Audi TT 2017 Audi R8 / R8 Spyder
<u>Mercedes-Benz:</u> <b>2016 – 2017 Mercedes-Benz E-Class Coupe / Convertible</b>	<b>* New makes and models not included in Ranking Member Nelson’s June report in bold</b>

The Takata Consent Orders currently permit automakers to sell new vehicles equipped with Takata non-desiccated ammonium-nitrate inflators, because studies conducted by NHTSA and outside organizations suggest that a rupture event requires long-term exposure to high heat cycles and humidity.<sup>6</sup> However, under the May amendment to the Consent Order, all of these new vehicles must be recalled by the end of 2018.<sup>7</sup>

<sup>5</sup> Letter from BMW of North America, LLC to Ranking Member Bill Nelson (June 22, 2016).

<sup>6</sup> National Highway Traffic Safety Administration, In re: EA15-001 Air Bag Inflator Rupture, Amendment to November 3, 2015 Consent Order, at 3 (May 4, 2016).

<sup>7</sup> *Id.* at 7.

## **DISCLOSURE TO CONSUMERS REGARDING THE FUTURE RECALL OF NEW VEHICLES**

As discussed above, FCA and Toyota have committed to identifying the new models that contain non-desiccated inflators for prospective vehicle purchasers and informing them that these vehicles will be recalled by the end of 2018 to replace those inflators.<sup>8</sup>

In response to Ranking Member Nelson's follow-up letter, Volkswagen stated that it is making preparations to disclose this information to consumers, and Mitsubishi explained that it is considering methods to notify potential buyers.<sup>9</sup> Daimler Vans and Mercedes-Benz also stated that they are evaluating how to advise their dealers about informing consumers.<sup>10</sup> Ferrari committed to informing consumers that these new vehicles will be recalled by the end of 2018.<sup>11</sup>

## **CONCLUSION**

Recent decisions by automakers, such as FCA and Toyota, to disclose the makes and models of new vehicles with Takata non-desiccated ammonium-nitrate inflators – as well as announcements by several automakers that they will no longer produce vehicles with non-desiccated inflators – are positive steps. However, further coordinated action by NHTSA and automakers is necessary to fully inform consumers of all new vehicles for sale with non-desiccated ammonium-nitrate inflators. Additionally, Minority staff recommends that production of new vehicles that contain these potentially defective inflators be terminated as soon as possible.

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<sup>8</sup> FCA and Toyota also explained their commitments to inform consumers that new vehicles produced with non-desiccated inflators will be recalled in the future in their responses to Ranking Member Nelson's June follow-up letter. Letter from FCA US LLC to Ranking Member Bill Nelson, at 2-3 (June 22, 2016); Letter from Toyota Motor North America, Inc. to Ranking Member Bill Nelson, at 2-3 (June 22, 2016).

<sup>9</sup> In its response to Ranking Member Nelson's June follow-up letter, Volkswagen explained that it "is currently making preparations to disclose to purchasers that the new vehicle purchased will be subject to a future Takata recall." Letter from Volkswagen Group of America to Ranking Member Bill Nelson, at 3 (June 22, 2016). Mitsubishi stated that it "is currently considering methods to notify potential customers that these retail vehicles will need to be recalled sometime during the 2017 calendar year..." Letter from Mitsubishi Motors North America, Inc. to Ranking Member Bill Nelson (June 22, 2016).

<sup>10</sup> Daimler Vans and Mercedes-Benz stated that they are "evaluating how to advise authorized Mercedes-Benz and Freightliner Sprinter dealers about informing consumers regarding future Takata recalls." Letter from Daimler Vans USA to Ranking Member Bill Nelson, at 1 (June 22, 2016); Letter from Mercedes-Benz USA, LLC to Ranking Member Bill Nelson, at 2 (June 22, 2016).

<sup>11</sup> Ferrari stated that "information [that these vehicles will be recalled by the end of 2018] will be communicated to customers through Ferrari's authorized dealer network." Letter from Ferrari North America, Inc. to Ranking Member Bill Nelson, at 3 (June 29, 2016).