

# TOYOTA

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**Toyota Motor Engineering &  
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December 30, 2014

**VIA ELECTRONIC DELIVERY  
ATTN: Mr. Kirby Howard**

The Honorable Lee Terry  
Chairman, Subcommittee on Commerce,  
Manufacturing, and Trade  
Committee on Energy and Commerce  
House of Representatives  
2125 Rayburn House Office Building  
Washington, D.C. 20515-6115

Dear Chairman Terry:

I am writing in response to your letter dated December 15, 2014, regarding my testimony before the Subcommittee on Commerce, Manufacturing, and Trade on Wednesday, December 3, 2014, at the hearing entitled "Takata Airbag Ruptures and Recalls." Please find my responses to the additional questions enclosed for the hearing record.

If you have any questions, or need additional information, please let me know.

Sincerely,



Abbas Saadat  
Vice President  
Toyota Motor Engineering & Manufacturing  
North America, Inc.

cc: The Honorable Fred Upton  
The Honorable Henry Waxman  
The Honorable Jan Schakowsky

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**The Honorable Lee Terry**

**1. Why didn't Toyota replace all frontal passenger Takata airbag inflators when it first launched recall 13V-133 in April 2013?**

In April 2013, Takata identified defects involving manufacturing issues with certain airbag inflators that it manufactured. Takata informed Toyota that approximately 170,000 inflators were possibly affected by those manufacturing issues, and provided Toyota with a list of the affected airbag serial numbers. In order to find the 170,000 suspect inflators, Toyota recalled approximately 760,000 vehicles nationwide (Recall No. 13V-133) that Toyota determined might contain the affected inflators. Dealers were instructed to inspect the vehicle's passenger air bag serial number and replace the inflator if it was found on the list Takata provided. When Toyota learned later that an inflator, which ruptured after this recall was announced, was not on the original list provided by Takata, but was within the larger population of approximately 760,000 vehicles, Toyota changed the recall remedy from "inspect and replace if necessary" to "replace all inflators" in the identified vehicle population. Toyota advised NHTSA of the modified remedy in June 2014, and NHTSA issued a new recall number (Recall No. 14V-312).

**2. Has Toyota had any incidents of ruptured inflators occur in the field? If so, how many have there been? When did they occur? What was the geographic location of those ruptures? Please identify the automobile model and model year of all ruptures matched with the time and location of the rupture.**

Below is a table with the requested information as of December 22, 2014, about incidents of ruptured inflators in the field in the United States:

<b>No.</b>	<b>MODEL</b>	<b>MODEL YEAR</b>	<b>DATE OF INCIDENT*</b>	<b>LOCATION OF INCIDENT</b>
1	Toyota Corolla	2003	8-Aug-12	Puerto Rico
2	Toyota Corolla	2003	4-Oct-12	Maryland**
3	Toyota Corolla	2003	20-Nov-12	Puerto Rico
4	Toyota Corolla	2003	17-May-13	Puerto Rico
5	Toyota Corolla	2003	2-Mar-14	Puerto Rico
6	Toyota Tundra	2005	20-Sep-14	New York***
7	Toyota Corolla	2003	7-Oct-14	Puerto Rico
8	Toyota Corolla	2003	20-Oct-14	Texas

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9	Toyota Corolla	2005	19-Sep-14	Puerto Rico
10	Toyota Corolla	2004	26-Nov-14	Puerto Rico
11	Toyota Corolla	2003	10-Dec-14	Hawaii****
12	Toyota Corolla	2004	Unknown*****	Puerto Rico

\*There is often a time lag between when the incident occurs and when it is reported to Toyota. As a result, the dates on which the incidents occurred may not match with the dates when Toyota learned of the incident and began its investigation as reflected in the Defect Information Report Toyota submitted to NHTSA on April 11, 2013.

\*\*This vehicle had been located in Florida for 8 years prior to the incident.

\*\*\*This vehicle experienced air bag deployment without a crash during battery replacement when the positive and negative cables were installed incorrectly, reversing the polarity of the battery. Based on information provided to Toyota by NHTSA and Takata, an inappropriately commanded airbag deployment under these circumstances could negatively affect performance of a non-defective, dual-stage inflator.

\*\*\*\* The rupture occurred during an intentional deployment when scrapping air bag module.

\*\*\*\*\* The date of the incident is unknown and the incident is pending further investigation.

- 3. Mr. Saadat's testimony states that Toyota intensified its recall efforts after viewing testing data from Takata that suggested the safety risk was highest in areas of high absolute humidity. How many parts has Toyota collected to date from high absolute humidity areas? How many of those parts have been tested? What do the results show? Were there any reported ruptures in the testing? If so, how many have there been and where were those parts collected from?**

After the events that led Toyota to change the remedy to Recall No. 13V-133, as described in response to Question 1, and NHTSA's request for a regional field action to collect parts for testing (14V-350), Toyota began providing Takata with inflators from vehicles recalled from the United States for testing.<sup>1</sup> As of December 22, 2014, Takata has informed Toyota that it has received 19,548 parts from Toyota vehicles from the high absolute humidity region. Of the parts received, Takata has tested 1,048 parts, and of those, 73 have ruptured. Of the ruptured inflators, 57 were from southern Florida, eight were from northern Florida, and eight were from Puerto Rico.

- 4. Mr. Saadat's testimony states that Toyota wants additional assurances about the integrity and quality of Takata's manufacturing processes. What assurances, if any, has Takata given Toyota in the past about the integrity and quality of its manufacturing processes? Were those assurances ever updated or clarified? How did Toyota verify those claims? Please identify any scheduled verification and/or quality assurance procedures that Takata reported to Toyota.**

Toyota has obtained initial assurances about the integrity and quality of Takata's manufacturing processes. In April 2013, Takata had notified Toyota about two manufacturing issues that led to Toyota's decision to recall vehicles nationwide at that time.

<sup>1</sup> Attached to this submission is Toyota's response to NHTSA's General Order, which contains an overview of testing of Takata inflators installed in Toyota vehicles.

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The issues concerned humidity control during inflator manufacture and inadequate compaction force of propellant wafers during manufacture. Takata has cooperated with our inspections of Takata production facilities.

For example, Toyota has taken actions to check the quality of replacement inflators currently being supplied by Takata for use in Toyota's recalls. Toyota has visited Takata's Moses Lake, Washington production facility where the wafers incorporated into the inflators are produced. The purpose of this activity was to confirm current production quality control and the details of improvements in production control made as a result of Takata's recall determination in 2013. A variety of process confirmations were made, including:

- Receiving of Raw Materials – quality assurance systems (certifications and/or receiving inspection) and lot traceability.
- Materials Mixing and Handling – quality controls for material composition, humidity controls and lot traceability.
- Wafer Manufacturing (press) – press controls to assure proper wafer density, humidity controls and lot traceability.
- Final Quality Approval – final production quality confirmation items, quality auditing (sampling), packaging/storage and lot traceability.

Also, although an on-site review was not possible due to travel restrictions to the Monclova, Mexico area, Toyota received information about Takata's inflator assembly facility there confirming various processes and improvements at that facility as a result of Takata's recall determination. This included the following:

- Receiving of Inflator Wafers (from Moses Lake, WA) – receiving inspection(s), humidity controls and lot traceability.
- Propellant Material Flow (from receiving storage until final assembly) – specifically focused on humidity controls and lot traceability.
- Final Assembly of Inflator – quality controls to assure correct inflator assembly, humidity controls, and lot traceability for inflator sub-components.
- Final Quality Approval – final production quality confirmation points, quality auditing (sampling), packaging and lot traceability.

Toyota has also retained an independent engineering firm to evaluate affected Takata inflators and replacement parts. Further, Toyota is participating in an industry coalition that is putting a plan together that is expected to include evaluation and testing of Takata inflators by a coalition-approved, independent engineering firm.

**5. Can Toyota currently identify each car in which a potentially defective passenger airbag was installed? Can Toyota currently identify all the vehicles in which a replacement inflator has been installed?**

Identifying vehicles affected by a safety recall is a regular part of the recall process. The recall vehicle populations have been determined, in consultation with NHTSA, according to production dates when potentially affected Takata inflators may have been installed into

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vehicles. The recall population includes a margin so that all potentially affected vehicles are captured. Using the VINs associated with the vehicles built during the identified time frames, Toyota contracts with a company that is able to obtain current and past registration information. That information is used to send notices to vehicle owners. The responses to those notices (by way of completed repairs) are tracked and reported on a regular basis to NHTSA.

6. **Has Toyota modified its safety and/or quality assurance policies in light of these defects to help catch potential defects in original equipment earlier in its processes?**

Toyota reviews all recalls internally and with the supplier of any involved components to identify the root cause or causes of the concern that led to the recall. The goal is to determine what improvements can be made by Toyota and the supplier to help reduce the chance that it will occur in the future. A fundamental principle of Toyota's business practices is the concept of "kaizen" or "continuous improvement".

**The Honorable Gregg Harper**

1. **Mr. Saadat, you mentioned in your opening statement that Toyota had a recall in Japan in 2010 for a different manufacturing issue. You also discussed Toyota's national and regional recalls during your testimony. In addition to those recalls, does Toyota have any other Takata inflator-related recalls?**

In addition to the national and prioritized regional recalls in the United States, Toyota has initiated recalls of both passenger and driver side inflators outside the United States. This includes the 2010 Japan recall mentioned in Toyota's opening statement. The driver side inflators that have been recalled outside the United States are not used in vehicles sold in the United States.

2. **You mentioned that Toyota has not used the inflators that Takata has identified as defective on the driver side in the United States. But does Toyota use Takata brand inflators or airbags in locations other than the passenger side?**

Yes, Toyota uses Takata inflators in driver and curtain airbags in some vehicles it sells in the United States. These inflators are not among the defective inflators that Toyota has recalled in the United States as part of its national and prioritized regional recalls. Additionally, based on information currently available to us, the vehicles under the current recalls do not use Takata inflators on the driver's side.

3. **You made a reference to Toyota's response to the General Order, and you and I specifically discussed Toyota's testing of Takata's inflators in connection with NHTSA's preliminary evaluation in June 2014. Could you describe for me any other testing Toyota has done?**

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A copy of Toyota's response to the General Order from NHTSA, which provides further information about testing, is attached. As the response explains, Toyota sent inflators to Takata for testing in connection with the 2010 recall in Japan related to a different issue than the current recalls in the United States. Additionally, as part of its investigation leading to the 2013 recall, Toyota sent inflators recovered from the market to Takata for testing. With the opening of NHTSA's Preliminary Evaluation into Takata in June 2014, recalled inflators sent directly from Toyota dealers to Takata were used for the NHTSA/Takata testing program.

**4. We spoke about Toyota's remedies and accommodations for customers located in the high absolute humidity region. What is Toyota doing for customers outside that region?**

Toyota has a steady supply of inflators for customers whose vehicles currently are registered or originally were sold in the high absolute humidity regions. Toyota also plans to add any vehicles that have ever been registered in the high absolute humidity regions into the high absolute humidity recall action, which provides those additional customers with an enhanced priority for inflator replacement.

For customers outside the high absolute humidity regions, Toyota expects sufficient supplies of inflators to begin expanding inflator replacements to these locations in early 2015. In addition, Toyota plans to re-contact all owners of vehicles outside of the high absolute humidity regions who have not already had their inflator replaced within the next 30 days, including so-called snowbirds who have vehicles registered outside these regions but might spend several months in the regions. Toyota does not separately track snowbirds although Toyota is looking into additional steps to identify those owners. Through these communications, Toyota will remind customers of their vehicle's involvement in the recall, re-state the risk, explain that a remedy is not currently available, and encourage them to not use the front passenger seat until a remedy can be completed. All customers outside the high absolute humidity regions will receive another communication as the remedy is available in their local area. Customers with questions or unique situations are also encouraged to contact their local dealer or our Customer Experience Center.

**The Honorable Adam Kinzinger**

- 1. There has been significant discussion about regional recalls and the movement of recalled vehicles from high humidity states to other states outside of those regions. I believe an area that needs focus by automakers is the commerce of recycled original equipment manufacturer (OEM) parts. Each day, over a half million recycled OEM parts - the very same parts designed by your companies to meet your fit, finish and durability standards - are sold by professional automotive recyclers. These parts play an important part in the automotive supply chain and are readily sold from one state or region of the country to another.**

**Recently, General Motors reached out to professional automotive recyclers offering to buyback or purchase recalled GM ignition switches. To accomplish this, General**

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**Motors provided specific Original Equipment Manufacturer (OEM) part numbers for the ignition switches that were critical to ensure that automotive recyclers could identify the specific recalled parts in their company's inventories.**

- a. Do you agree that sharing OEM part numbers and other identifiable information with the professional automotive recycling industry would increase safety?**
- b. Do you agree this would assist in tracking recalled parts, such as the Takata Airbags?**
- c. Does Toyota currently have a similar buy-back program in place with the professional automotive recyclers? If not, why not?**

To promote safety, Toyota instructs dealers to scrap defective recovered parts so as to prevent them from entering the stream of commerce. Toyota agrees that recalled component parts should be identified in the recycle/salvage part industry and removed from the stream of commerce by recyclers. Toyota recommends that the recycling industry refer to the publicly accessible, technical information website resource database used by dealers, consumers and NHTSA to access information on Toyota recalls which includes VIN level detail and technical information on specific recalled parts, so that they can also scrap defective parts. This database website can be accessed by subscription and Toyota encourages all automotive recycler/salvage operators to subscribe. The automotive industry generally does not have an industry-wide method for sharing all part number details for parts subject to recall and replacement with the recycling and salvage industries. And not all recalls involve part replacement. Toyota would support efforts by the recycling and salvage industry to improve methods for them to more easily and accurately identify recalled vehicles and components within their scrap and used component supply chains to prevent them from entering the stream of commerce.

Toyota has not previously had a buy-back program for recalled components in vehicles within the recycler/salvage process. We are currently running a test program with one large, national recycler to purchase for testing and recycling passenger airbag assemblies with involved Takata inflators from their recycled inventory. We are evaluating the process, part and vehicle identification accuracy, and shipping methods as part of this trial.

**The Honorable Jan Schakowsky**

- 1. At the Subcommittee hearing on December 3, 2014, I asked Honda about confidential settlement agreements made in lawsuits in which plaintiffs have alleged injuries or death as a result of malfunctions of the airbags supplied by Takata.**
  - a. How many settlement agreements related to Takata airbags has Toyota reached with plaintiffs? Please provide (1) the dates of these agreements and (2) the dates of the alleged injuries that were the subject of the settlement agreements.**

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- b. Please list (1) the year, make, and model of the vehicles that were the subject of those settlement agreements and (2) the nature of the alleged injuries that were the subject of the settlement agreements.**
- c. How many of these agreements were confidential or otherwise restricted the plaintiff or plaintiff's representatives from publicly discussing the case?**

Below is a table with the requested information as of December 22, 2014, about settlement agreements related to Takata airbag ruptures in the United States:

<b>No.</b>	<b>MODEL</b>	<b>MODEL YEAR</b>	<b>DATE OF INCIDENT*</b>	<b>LOCATION OF INCIDENT</b>	<b>ALLEGED INJURIES DUE TO INFLATOR RUPTURE</b>	<b>RESOLUTION</b>
1	Toyota Corolla	2003	8-Aug-12	Puerto Rico	N/A**	Vehicle repurchase agreement*** without confidentiality clause
2	Toyota Corolla	2003	4-Oct-12	Maryland****	Sore back reported; claimant did not receive medical treatment, and made no claim of personal injury	Vehicle repurchase agreement without confidentiality clause
3	Toyota Corolla	2003	20-Nov-12	Puerto Rico	N/A	Vehicle repurchase agreement without confidentiality clause
4	Toyota Corolla	2003	17-May-13	Puerto Rico	N/A	Vehicle repurchase agreement without confidentiality clause
5	Toyota Corolla	2003	2-Mar-14	Puerto Rico	N/A	Pending settlement agreement without confidentiality clause



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6	Toyota Tundra	2005	20-Sep-14	New York*****	N/A	Vehicle repurchase agreement without confidentiality clause
7	Toyota Corolla	2003	7-Oct-14	Puerto Rico	Reported injury to eye of front passenger	Settlement agreement with confidentiality clause
8	Toyota Corolla	2003	20-Oct-14	Texas	Cut on right side of face and marks on neck; no medical treatment required	Settlement agreement without confidentiality clause
9	Toyota Corolla	2005	19-Sep-14	Puerto Rico	Undetermined	Vehicle repurchase agreement without confidentiality clause
10	Toyota Corolla	2004	26-Nov-14	Puerto Rico	N/A	N/A
11	Toyota Corolla	2003	10-Dec-14	Hawaii*****	N/A	N/A

\*There is often a time lag between when the incident occurs and when it is reported to Toyota. As a result, the dates on which the incidents occurred may not match with the dates when Toyota learned of the incident and began its investigation as reflected in the Defect Information Report Toyota submitted to NHTSA on April 11, 2013.

\*\*N/A defined as "Not Applicable."

\*\*\*Toyota routinely repurchases vehicles for detailed engineering investigation.

\*\*\*\*This vehicle had been located in Florida for 8 years prior to the incident.

\*\*\*\*\*This vehicle experienced air bag deployment without a crash during battery replacement when the positive and negative cables were installed incorrectly, reversing the polarity of the battery. Based on information provided to Toyota by NHTSA and Takata, an inappropriately commanded airbag deployment under these circumstances could negatively affect performance of a non-defective, dual-stage inflator.

\*\*\*\*\* The rupture occurred during an intentional deployment when scrapping air bag module.

**2. According to a Reuters article on December 4, 2014, titled "Toyota Expands Takata Air Bag Recall in Japan, China," Toyota announced that it would recall 185,000 vehicles across 19 models in Japan and 5,000 vehicles in China.**

**a. What prompted Toyota to take this action?**

**b. Are the recalls in Japan and China being conducted pursuant to laws or regulations in those countries? If so, what laws or regulations?**

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- c. Have other recalls related to Takata airbag inflator ruptures been conducted in Japan or China? If so, please list the make, model, and model years of each vehicle that was recalled in Japan and China related to Takata airbag inflator ruptures?**

Japan and China both have regulatory structures surrounding vehicle safety recalls. In Japan, the law is found in *Handling Guidelines Regarding Recall Notifications*, etc., MLIT Notification No. 1530 of 1994, art. 2, para. 1. And in China, the law is found in *Regulation on the Administration of Recall of Defective Auto Products* (promulgated by the State Council, Oct. 22, 2012, effective Jan. 1, 2013) Order of the State Council, No. 626, art. 3, art. 8, art. 12 and art. 15. Toyota conducts recalls in Japan and China pursuant to these laws.

In accordance with NHTSA regulations, Toyota informs NHTSA of foreign safety campaigns affecting substantially similar vehicles to those sold in the United States. Toyota filed the requisite Foreign Recall Report with NHTSA on December 4, 2014, informing the agency of a recall in Japan and China. Toyota initiated this action after the front passenger frontal airbag inflator installed in a Toyota WiLL Cypha vehicle ruptured when it was intentionally deployed during preparation for vehicle disposal at a salvage yard in Japan. While the root cause of the rupture has not been identified, there is a possibility that inflators of the same type and same model year could rupture in the event of a collision which results in the deployment of the front passenger frontal airbag. This action affects the following Toyota vehicles equipped with passenger side frontal airbag assemblies with the Takata SPI single stage inflator: Toyota/Alex, Corolla, Corolla Fielder, Corolla Runx, WiLL VS, Probox, Succeed, Vios, WiLL Cypha (China and Japan do not use a model year designation). None of the involved vehicles have been exported or sold in the United States. A copy of the Foreign Recall Report sent to NHTSA is attached.

Toyota also filed a Foreign Recall Report on November 27, 2014, regarding a recall of Takata drivers' side airbags in Japan, Australia, and other foreign markets. Toyota commenced this action because it learned that during the manufacturing of the recalled inflators, humidity in the environment may not have been properly controlled. The propellant wafers may have been exposed to the uncontrolled environment when the assembly line was temporarily stopped, increasing the likelihood for the propellant wafers to absorb moisture from the air. If sufficient moisture is absorbed, in the event of a collision that results in the deployment of the driver frontal airbag, the inner pressure of the inflator assembly could increase abnormally and the inflator body could rupture. This action affects the following Toyota vehicles in Japan and other foreign markets: Toyota/Vitz, Yaris, RAV4 with driver frontal airbag assemblies with SDI single stage inflators made by Takata Corporation (Japan and these countries do not use a model year designation). Substantially similar vehicles sold in the United States are not equipped with the affected SDI inflators. None of the involved vehicles have been exported to or sold in the United States. A copy of the Foreign Recall Report sent to NHTSA is attached.

Toyota also submitted a Foreign Recall Report to NHTSA in June 2010. Takata had informed Toyota that the inflators involved in this recall may have been produced with

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insufficient propellant. This action affected the following Toyota vehicles in Japan: Toyota Corolla, Corolla Fielder, Corolla Runx, (Japan does not use a model year designation). The subject airbag inflators were only installed in vehicles produced and for sale in countries outside the United States. The substantially similar vehicles sold in the United States are equipped with a different type of airbag inflator. The subject inflators have not been sold or offered for sale in the United States. A copy of the Foreign Recall Report sent to NHTSA is attached.

- 3. On November 18, NHTSA announced its intention to expand the regional recall of driver's side airbags to a nationwide recall. Toyota is conducting both a national recall and a regional recall of certain passenger side airbags. According to Toyota's website, there is some overlap in the models and model years covered by both the national and regional recalls.**
- a. Briefly explain why Toyota is conducting both a national and a regional recall on the same vehicles.**
  - b. Is Toyota planning to expand its current regional recall of passenger side airbags to a national recall?**
  - c. Does Toyota support the expansion of the current regional recall of passenger side airbag recalls to a national recall?**

Toyota's recall initiated in April 2013 is national in scope because the recall is being conducted to remedy manufacturing deficiencies identified by Takata that affect vehicles sold and currently in use throughout the United States. In June 2014, NHTSA requested that Toyota and other manufacturers participate in testing focused on vehicles in the high humidity areas. The results of that testing led to a determination to conduct a regional recall in October 2014 for certain vehicles in the high humidity region identified as being at higher risk. The scope of the affected recall populations in the national and regional recalls is not completely coterminous; the regional recall includes certain model year 2005 vehicles not involved in the national recall. The additional model year 2005 vehicles included in the regional recall are part of the expanded investigatory scope determined by NHTSA and Takata just after NHTSA opened its Preliminary Evaluation of Takata in June 2014 (PE14-016). Toyota regularly monitors field data to determine whether there are any trends that suggest that additional recalls are necessary; if Toyota learns that other air bags not currently involved in its recall actions require replacement in the future, it will undertake appropriate actions to do so.

- 4. Many members of the armed forces serve at bases in located in the high absolute humidity regions, and may be stationed there or deployed from there for years, but are allowed to register their cars in their home states. In these or other cases, the vehicle may be operated in Florida for many years, but never registered in Florida.**

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- a. Is Toyota working to identify vehicles that have been operated in high-humidity regions but have never been registered in those regions? If so, how is Toyota identifying such vehicles?**
- b. Has Toyota notified owners of vehicles that have been operated in high-humidity regions but have never been registered in those regions?**

For all safety recalls, Toyota uses its own customer and sales data, and works with automotive industry data providers to identify the current registered owners and their location for all involved vehicles. For the regionally prioritized Takata population, Toyota took extra steps to identify vehicles that were originally sold or ever registered in the areas of consistently high absolute humidity during their operational lifetime.

For customers with vehicles purchased or registered outside the areas of consistently high absolute humidity, Toyota expects sufficient supplies of inflators to begin expanding inflator replacements in early 2015. In addition, Toyota plans to re-contact within the next thirty days all owners of vehicles outside of the high absolute humidity regions who have not already had their inflator replaced, including customers serving in the armed services and stationed in the areas of consistently high absolute humidity regions and snowbirds who have vehicles registered outside these regions areas but might spend time in the regions areas. Through these communications, Toyota will remind customers of their vehicle's involvement in the recall, re-state the risk, explain that a remedy is not currently available, and encourage them to not use the front passenger seat until a remedy can be completed. All customers outside the high absolute humidity regions will receive another communication as the remedy is available in their local area. Toyota does not currently have a way to identify customers who register their vehicles in one state, but visit other states for significant periods, although Toyota is looking into additional steps to do so in the future. Customers with questions or unique situations are also encouraged to contact their local dealer or our Customer Experience Center.

- 5. Toyota has expressed its commitment to ensuring that all vehicles you produce that are covered by a safety recall are repaired. In your written testimony submitted to the Subcommittee, you stated that Toyota "plan[s] to replace all involved inflators as parts become available."**
  - a. Do you include a provision in agreements with Toyota dealerships that requires them to perform safety recall repairs prior to offering used Toyota vehicles or used vehicles originally produced by other vehicle manufacturers for sale to consumers?**
  - b. Does compensation to Toyota dealers for repairs made under a safety recall or a safety improvement campaign match their earnings for normal retail repairs, i.e., based on the same hourly rate and the same time allowed for repairs?**

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- c. What criteria do Toyota and Toyota dealerships use in deciding whether to provide a loaner or rental car to a customer?**
  
- d. What steps is Toyota taking to ensure that the loaner cars are not also subject to a safety recall and, if they are subject to a safety recall, that those loaner cars were repaired before being loaned to a customer?**

Toyota's Dealer Agreements with dealers require the dealers to perform safety recall inspections and repairs as part of each dealer's obligation to provide warranty service for Toyota owners. Dealers are compensated for safety recalls consistent with other warranty-related services. Dealers are responsible for conducting safety recall work on all vehicles within the scope of such recalls, regardless of whether the vehicle is new or used. Additionally, Toyota requires confirmation of safety recall status as part of the Toyota Certified Used Vehicle (TCUV) and Lexus Certified Pre-Owned (CPO) programs and will not allow vehicles to be certified as part of these programs unless all applicable recall remedies have been completed.

With regard to loaner/rental vehicles, dealers are provided flexibility and appropriate reimbursement to work with customers to meet their specific needs, including providing a no charge loaner/rental car if replacement parts are not readily available.

Vehicles that are available to be loaned to customers are generally newer vehicles that would not be subject to the current recalls affecting older Toyota vehicles. Toyota is not aware of any dealers offering for use loaners old enough to be part of the current Takata recalls. Toyota also encourages dealers not to loan or rent vehicles as part of the Toyota Rental Car program (TRAC) until all open safety recalls and service campaigns have been completed. Any rental vehicles provided to customers from outside agencies should have any open safety recalls completed as Toyota provides the major rental car corporations that support our dealers with the ability to regularly confirm recall status on their fleets.

- 6. Takata, NHTSA, and the automakers testified at the Subcommittee hearing on December 3, 2014, that the root cause of the airbag ruptures is still unknown. Takata claims that high humidity, high temperature, and the age of the vehicle are factors contributing to the ruptures. What is Toyota doing to ensure that the new airbags currently being installed into cars in Florida will not have the same problems in five or ten years?**

Toyota has obtained initial assurances about the integrity and quality of Takata's manufacturing processes. In April 2013, Takata had notified Toyota about two manufacturing issues that led to our decision to recall vehicles nationwide at that time. The issues concerned humidity control during inflator manufacture and inadequate compaction force of propellant wafers during manufacture. Takata has cooperated with our inspections of Takata production facilities.

**ABBAS SAADAT**  
**REGIONAL PRODUCT SAFETY EXECUTIVE, TOYOTA NORTH AMERICA, AND VICE PRESIDENT,**  
**TOYOTA MOTOR ENGINEERING & MANUFACTURING, NORTH AMERICA, INC.**  
**DECEMBER 30, 2014**  
**RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD**

For example, Toyota has taken actions to check the quality of replacement inflators currently being supplied by Takata for use in Toyota's recalls. Toyota has visited Takata's Moses Lake, Washington production facility where the wafers incorporated into the inflators are produced. The purpose of this activity was to confirm current production quality control and the details of improvements in production control made as a result of Takata's recall determination in 2013. A variety of process confirmations were made, including:

- Receiving of Raw Materials – quality assurance systems (certifications and/or receiving inspection) and lot traceability.
- Materials Mixing and Handling – quality controls for material composition, humidity controls and lot traceability.
- Wafer Manufacturing (press) – press controls to assure proper wafer density, humidity controls and lot traceability.
- Final Quality Approval – final production quality confirmation items, quality auditing (sampling), packaging/storage and lot traceability.

Also, although an on-site review was not possible due to travel restrictions to the Monclova, Mexico area, Toyota received information about Takata's inflator assembly facility there confirming various processes and improvements at that facility as a result of Takata's recall determination. This included the following:

- Receiving of Inflator Wafers (from Moses Lake, WA) – receiving inspection(s), humidity controls and lot traceability.
- Propellant Material Flow (from receiving storage until final assembly) – specifically focused on humidity controls and lot traceability.
- Final Assembly of Inflator – quality controls to assure correct inflator assembly, humidity controls, and lot traceability for inflator sub-components.
- Final Quality Approval – final production quality confirmation points, quality auditing (sampling), packaging and lot traceability.

Toyota has also retained an independent engineering firm to evaluate affected Takata inflators and replacement parts. Further, Toyota is participating in an industry coalition that is putting a plan together that is expected to include evaluation and testing of Takata inflators by a coalition-approved, independent engineering firm.

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

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In re: )  
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PE14-016 )  
Air Bag Inflator Rupture )  
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**TOYOTA’S RESPONSE TO GENERAL ORDER  
DIRECTED TO MANUFACTURERS**

Toyota Motor Corporation (“TMC”) and Toyota Motor Engineering & Manufacturing North America, Inc. (“TEMA”) (collectively “Toyota”) submit their Response to NHTSA’s General Order Directed to Manufacturers (“General Order”). Toyota’s Report and Responses are set forth below and are based upon good faith efforts to investigate and collect information within the short time frame allowed. Toyota’s investigation is ongoing, and it may amend or supplement its response with additional information.

Toyota has conferred with NHTSA’s Chief Counsel’s Office with regard to the timing of its production of documents. As agreed with the agency, and subject to the General Objections set forth below, Toyota is currently submitting documents within Toyota’s possession, custody, or control on testing in the United States of Takata inflators recovered from Toyota vehicles outside of the High Absolute Humidity Region (“HAH Region”) in the United States that have been identified and reviewed to date. In light of the short time frame provided to respond to the General Order, Toyota will supplement its production should any additional responsive documents be found.

Toyota is providing documents on such testing to the extent those documents are within the possession, custody, or control of TEMA and Toyota Motor Sales, U.S.A., Inc. (“TMS”) that have been identified and reviewed to date. Toyota will additionally provide the agency with documents collected from TMC in Japan on testing that may be relevant to the United States market. Per agreement with the agency, because of the need to collect and translate those documents, they will be provided at a later date.

#### Background of Testing

Toyota requested that Takata test inflators multiple times since at least 2010:

- In 2010, Toyota initiated a recall in Japan and other foreign markets to address manufacturing problems identified by Takata in inflators not installed in vehicles sold in the United States market. That action was the subject of a Foreign Recall Report to NHTSA, filed on June 30, 2010. Many of the inflators that were replaced in the recall were returned to TMC and were subjected to a shake-test to gauge the extent to which the manufacturing issue identified, in fact, existed in those inflators; some were also subjected to x-ray/CT-scans. Many were additionally sent to Takata in Japan for further analysis.
- In April 2013, Toyota initiated a nationwide United States recall to address a different set of manufacturing issues identified by Takata (13V133). First, Toyota responded to a field report received in Japan in October 2011 about an abnormal deployment. In-use inflators recovered in Japan were tested by Takata, but no abnormalities were found. Second, in connection with three field reports from the United States about abnormal deployments received in 2012, Toyota recovered and had Takata test additional in-use inflators from Japan and the United States.



When Takata informed Toyota that it had determined that there were manufacturing problems associated with those inflators, Toyota initiated the April 2013 nationwide recall (13V133). Toyota subsequently expanded the remedy associated with that recall (14V312, superseding 13V133) to include replacement of all inflators and not just those that had been identified by Takata in conjunction with the April 2013 recall.

- In June 2014, Toyota agreed to participate in NHTSA's request to conduct a field action to collect inflators from high humidity areas (14V350). Between June 2014 and October 2014, additional recalled inflators were collected for testing by Takata in the United States as part of the NHTSA-initiated inflator collection. These inflators have been, and continue to be, sent directly by dealers to Takata in the United States. Inflators replaced under recalls 14V312 and 14V655 (superseding 14V350), initiated October 19, 2014, continue to be sent directly by dealers to Takata in the United States.
- Toyota filed a Foreign Recall Report on November 27, 2014, regarding a recall of Takata drivers' side airbags in Japan, Australia, and other foreign markets regarding various vehicles not affected in the United States. Toyota plans to collect recalled inflators replaced under these recalls for analysis and testing by Takata in Japan. In addition, certain substantially similar vehicles sold in the United States contain a type or types of Takata inflators not included in the definition of "Inflator" contained in the General Order and not included in the United States recall population. For quality confirmation purposes, a number of

such in-use inflators will be collected and sent to Takata in the United States for analysis and testing.

- Toyota also filed a Foreign Recall Report on December 4, 2014, regarding a recall in Japan and China regarding various vehicles not affected in the United States. Toyota plans to collect recalled inflators replaced under those recalls for further analysis and testing by Takata in Japan.
- Additional information about testing is outlined in responses to the subparts below.

**RESPONSE TO REQUEST 1: REPORT ON COMPLETED, ONGOING  
OR PLANNED TESTING**

**Request 1. File a Report that describes, in detail, all completed, ongoing or planned testing of Takata inflators outside of the HAH Region.**

**REPORT ON COMPLETED, ONGOING OR PLANNED TESTING**

Toyota is providing information identified and reviewed as of the date of the General Order with regard to completed, ongoing and planned testing on Takata inflators in the United States market. It is also providing information about inflators from vehicles outside of the U.S.

- Testing of Takata Inflators from Vehicles in the United States

In response to field reports about abnormal deployments received in the United States between September and December 2012, Toyota directed Takata to evaluate and test inflators from the United States. Toyota recovered approximately 58 in-use inflators from across the United States, both from within and from outside what is now defined by NHTSA as the HAH Region. These inflators were sent directly to Takata in the United States for testing.

Between April 2013 and June 2014, Toyota dealers were returning recalled inflators from the United States market directly to Takata in the United States for disposal. In June 2014, in

response to incidents in Puerto Rico involving inflators that had not been identified by Takata, Toyota expanded the remedy for the nationwide recall to include replacement of all inflators, and a new recall number was assigned (14V312). Shortly thereafter, Toyota implemented NHTSA's request for recalled parts collection in four high humidity areas by focusing the 14V312 remedy campaign in Florida and Puerto Rico. All recalled parts collected as part of that effort, as well as the subsequently announced Recall No. 14V655, have been sent directly by dealers to Takata in the United States.

Going forward, Toyota will seek permission from NHTSA to direct some recalled inflators to an independent engineering firm that Toyota has now retained for further evaluation and testing.

In addition, an initiative involving affected manufacturers has been announced that proposes to conduct testing of Takata inflators. This will involve the retention of a coalition-approved, independent engineering firm.

- Testing of Inflators from Vehicles Outside the United States

Toyota has sent inflators recovered from vehicles outside the United States to Takata in Japan. After Toyota received a report in October 2011 in Japan about a vehicle in which the inflator had fractured, Toyota recovered 66 in-use inflators from the Japanese market. These inflators were sent to Takata in Japan for testing. Takata reported that it found no abnormalities after testing the 66 inflators. In 2012, Toyota recovered approximately 145 in-use inflators from vehicles in Japan. These inflators were all sent to Takata for testing. Takata reported that some of the inflators contained propellant wafers that had cracks.

Since the initiation of the recalls in 2013 and 2014, Toyota has also collected recalled inflators from vehicles in Japan and other Asian countries pursuant to recalls conducted in those

areas. TMC has evaluated many of these recalled inflators prior to their delivery to Takata in Japan by shaking them for signs of possible abnormality; some x-ray/CT-scans were taken to view the inside of the inflators.

Going forward, Toyota continues to receive recalled inflators from areas outside of the United States pursuant to recalls being conducted in foreign countries. TMC is shake-testing most of these parts and conducting some x-ray/CT-scans before sending them for testing by Takata in Japan.

- Additional Testing of Takata Inflators From Vehicles Outside the United States

Toyota had also collected inflators after a 2010 recall in Japan and other foreign markets initiated to address a manufacturing defect identified by Takata in its LaGrange, Georgia plant. This defect was for an issue different from the current recalls in the United States. The recall did not impact the United States market, and Toyota submitted a Foreign Recall Report to NHTSA in June 2010. Takata had informed Toyota that the inflators involved in this recall may have been produced with insufficient propellant. Toyota evaluated many recalled and returned inflators through the shake tests and some x-ray/CT-scans, and sent the inflators to Takata in Japan for further testing. The x-ray/CT-scans revealed one returned inflator with insufficient propellant and a number with a missing spring or retainer. Toyota conducted at least one deployment test, which involved an inflator with insufficient propellant. The inflator deployed normally.

## **RESPONSES TO INDIVIDUAL SUBPARTS OF REQUEST 1**

### **a. All documents regarding or relating to the testing contained in your report.**

Response: Toyota is producing documents per the agreement reached with the agency described above. Toyota's document collection efforts continue, and Toyota will supplement its

production should additional responsive documents be found. In addition, as there is on-going testing by Takata, new information will be received in the future.

**b. The location of the testing; the dates of the testing; whether the testing is completed, in progress, or planned; anticipated date of completion of testing; the nature and objective of the testing; and, testing protocols.**

Response: Prior to the April 2013 recall, Toyota recovered in-use parts from the United States, Japan, and other markets. Toyota has also collected recalled parts in Japan and United States.

With respect to inflators collected from the United States. recalls as described above, Takata provided Toyota with data regarding the testing of those recalled parts. The data received from Takata includes the test date, but does not provide all of the above information requested in this subpart. Toyota understands that Takata has provided the same or similar information to NHTSA.

With regard to testing in Japan of inflators from various markets, to the extent that Takata has provided information to Toyota about test results that are responsive to this General Order, Toyota will provide such documentation at a later time per agreement with the agency.

**c. A roster of all vehicles where the inflator was tested which includes: the model; model year; vehicle build date; VIN; the vehicle's registration history, by location; inflator serial number; inflator type; dealership location with zip code where the inflator unit was returned; whether any deaths, injuries or claims are associated with the inflator in the vehicle; and, product specifications for the air bag and inflator modules in each vehicle.**

Response: The data Takata has provided to Toyota about testing conducted on inflators from vehicles in the United States does not generally provide sufficient detail to allow Toyota to match the individual inflator tests to particular vehicles. Takata data does, however, indicate the state, zip code, and inflator serial number of each inflator. None of these inflators are associated

with any deaths, injuries, or claims. Toyota understands that Takata has provided the same or similar information to NHTSA.

With regard to testing in Japan, to the extent that Takata has provided information to Toyota about test results that are responsive to this General Order, Toyota will provide such documentation at a later time per agreement with the agency.

**d. If testing of inflators has been completed, describe in detail the results of the testing and the conclusions you have reached based upon the test results. If your conclusion is that a safety defect does not exist in inflators outside of the HAH Region, describe in detail the basis for that conclusion and when the decision was made and by whom. Provide a copy of all documents to or from any person(s) related to the conclusion that no safety defect exists in inflators outside of the HAH Region.**

Response: Prior to initiating the recall for the HAH Region (14V655), Toyota had initiated a nationwide recall (13V133 and 14V312). That nationwide recall remains in effect under Recall 14V312.

**e. Sub-part (e) is directed to BMW, Chrysler, Ford, GM, Honda, Mazda, Mitsubishi, Nissan, Subaru and Toyota: State in your report whether or not Takata has performed testing of inflators used in your vehicles outside of the HAH Region. If so, describe in detail what Takata has communicated to you about the testing and/or test results. Produce all documents related to Takata's testing, test results and your communications, internal and external, related to the testing. State whether you have requested additional information from Takata concerning its testing of inflators outside of the HAH Region which you believe would assist in your determination of whether a defect exists. Identify and describe any information, documents or categories of information and documents that you reasonably believe that Takata has or reasonably should have concerning inflators or testing of inflators used in your vehicles that Takata has to provided you and which you believe would assist you in testing inflators to determine whether a safety defect exists in inflators outside of the HAH region.**

Response: Takata has conducted testing on inflators from Toyota vehicles in the United States and outside the HAH Region. Toyota requested from Takata information about such testing, and Takata initially provided data with regard to 121 inflator tests. The data includes the

state and zip code where the inflator was recovered, the test date, inflator serial number, and the inflator build month and year.

Takata has also provided Toyota with Toyota-specific versions of the information provided to NHTSA about its overall testing program. The data shows the number of recalled inflators tested by Takata and that were from South Florida, North Florida, Puerto Rico, and elsewhere (i.e, outside the HAH Region). As of approximately November 26, according to Takata, it has tested 1159 recalled inflators from Toyota vehicles and 469 of those were from outside the HAH Region.

Prior to initiating the recall for the HAH Region (14V655), Toyota had initiated a nationwide recall (13V133 and 14V312). That nationwide recall remains in effect.

**f. Provide the name, title and complete contact information for each and every manager or supervisor (at all levels of management or supervisory responsibility) involved in your investigation and decision-making process concerning rupturing air bag inflators manufactured, in whole or in part, by Takata.**

Response: The following individuals were involved in the investigation and decision-making for Recall Nos. 13V133, 14V312, and 14V655.

*Recall 13V133.* Responsible for decision making: K. Fukushima, Vice President, TEMA; T. Nagata, General Manager, Customer Quality Engineering Division, TMC; K. Sato, Executive General Manager, TMC; Gary Smith, Vice President, Customer Quality Services, TMS; Dino Triantafyllos, Vice President, TEMA; Bob Waltz, Group Vice President, Product Quality & Service Support, TMS. Responsible for investigation: H. Kitamura, Department General Manager, JCQE Technical Management, TMC; K. Kobayashi, Group Manager, Customer Quality Engineering Division, Technical Investigation Group, TMC; Jerry LeLeux, National Manager, Customer Quality Services, TMS; K. Ohara, Group Manager, Interior Design Division, TMC; K. Toida, Department General Manager, Interior Design Division, TMC.

*Recall 14V312.* Responsible for decision making: K. Fukushima, Vice President, TEMA; T. Nagata, General Manager, Customer Quality Engineering Division, TMC; Abbas Saddat, Vice President, TEMA; Gary Smith, Vice President, Customer Quality Services, TMS; Bob Waltz, Group Vice President, Product Quality & Service Support, TMS; H. Yokoyama, Senior Managing Officer, TMC. Responsible for investigation: Michael Jarboe, Manager, Customer Quality Services, TMS; H. Kitamura, Department General Manager, Customer Quality Engineering Division, Technical Management, TMC; K. Kobayashi, Group Manager, Customer Quality Engineering Division, Technical Investigation Group, TMC; Jerry LeLeux, National Manager, Customer Quality Services, TMS.

*Recall14V655.* Responsible for decision making: K. Fukushima, Vice President, TEMA; T. Nagata, General Manager, Customer Quality Engineering Division, TMC; Abbas Saddat, Vice President, TEMA; Gary Smith, Vice President, Customer Quality Services, TMS; Bob Waltz, Group Vice President, Product Quality & Service Support, TMS; H. Yokoyama, Senior Managing Officer, TMC. Responsible for investigation: Michael Jarboe, Manager, Customer Quality Services, TMS; H. Kitamura, Department General Manager, Customer Quality Engineering Division, Technical Management, TMC; K. Kobayashi, Group Manager, Customer Quality Engineering Division, Technical Investigation Group, TMC; Jerry LeLeux, National Manager, Customer Quality Services, TMS.

**g. Provide the name, title and complete contact information for each and every person who prepared and provided input and/or data included in the report contained in Request No. 1, including but not limited to inside or outside counsel, accounts, engineers, employees and other professionals.**

Response: Toyota collected information and documents from the following Departments within the company: Quality Division at TMC, Interior Design Division at TMC, Customer



Quality Engineering Division at TMC, Customer Quality Services at TMS, Vehicle Safety and Compliance Liaison Office at TEMA, and Product Quality and Service Support at TMS. Toyota Legal One and TMC Legal Division, and outside counsel from the following law firms provided legal advice and helped gather the materials produced: Hogan Lovells US LLP, Debevoise & Plimpton LLP, King & Spalding, Winston & Strawn, and Dykema Gossett PLLC. Toyota may be contacted through counsel at Hogan Lovells US LLP.

### **General Objections**

The General Objections set forth below are incorporated into Toyota's responses to Request 1 and each of the subparts to Request 1, *i.e.*, Request 1.a. through 1.g. These General Objection are deemed continuing as to each subpart of the Request, and are not waived, nor in any way limited, by the specific responses to a subpart, nor should the failure to specifically incorporate the General Objections be construed as a waiver.

Toyota notes that the General Order allowed an unreasonably short time period to collect and review potentially responsive documents and information. The 17 days provided is about half the time allotted under the comparable Federal Rules of Civil Procedure, Fed. R. Civ. P. 33(b)(2) ("The responding party must serve its answers and any objections within 30 days after being served with the interrogatories."); Fed. R. Civ. P. 34(b)(2) ("The party to whom the [document] request is directed must respond in writing within 30 days after being served."), and included the Thanksgiving holiday. Toyota has made a good faith effort to collect the information necessary to respond to the General Order and reserves the right to supplement this Response. Toyota reserves the right to recapture privileged or otherwise protected or exempted documents that are inadvertently produced in response to this General Order. Toyota's Response is based on information collected and reviewed as of the date of the General Order.

In responding to the General Order, reasonable, good faith searches have been made of corporate records where such documents would ordinarily be expected to be found and to which Toyota would ordinarily refer when looking for such information. Toyota's Response is based on information obtained from those departments and employees most knowledgeable about the subject matter of this inquiry and most likely to have responsive information in the regular and ordinary course of business. Toyota reserves the right to amend, supplement, or clarify its Response to reflect additional information as it is produced and/or discovered.

Toyota also notes that the definition of "documents" includes items not typically included in the definition of that term, and might appear to include ESI from sources that are not reasonably accessible because of undue burden or cost and appears to include documents that are not within Toyota's possession, custody, or control. The definition of the term "Document(s)" also purports to require Toyota to produce the original of every responsive document. Such production would impose an extraordinary burden on Toyota in time, expense, and business disruption, while providing no benefit contemplated by the applicable statutes and regulations.

Toyota further notes that the Definitions and Instructions could appear to obligate Toyota to search for information or documents not within its possession, custody, or control, including the proffered definition of "You" and "Your" in paragraph 6 of the Definitions as encompassing "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)." Adherence to these

definitions and instructions would require an unduly burdensome and extraordinarily costly search for information and documents involving persons or entities not under Toyota's direct control and persons and entities not reasonably likely to have possession, custody, or control of responsive documents different from those produced hereunder. Accordingly, Toyota's search for information does not extend beyond those employees, directors, officers, and other persons subject to Toyota's direct control who are reasonably likely to possess non-privileged information.

The term "testing" is undefined. Toyota has taken a broad view of the term "testing," and has therefore included information in its Response relating not only to destructive deployment testing, but also to shake-testing and x-ray/CT-scans.

Toyota reserves the right to claim privilege when appropriate. Toyota notes that the courts have upheld the privilege in the FTC context, and that NHTSA's authority closely tracks that of the FTC. *See FTC v. Boehringer Ingelheim Pharmaceuticals, Inc.*, 898 F. Supp. 2d 171, 175 (D.D.C. 2012); *FTC v. GlaxoSmithKline*, 294 F.3d 141, 145-48 (D.C. Cir. 2002) (both declining to enforce FTC subpoenas seeking documents protected by the attorney-client and work product privileges); *United States v. Firestone*, 455 F. Supp. 1072, 1089 (1978) (NHTSA's information-gathering authority under the Safety Act tracks the FTC's authority to compel information and therefore "cases concerning the FTC's power are of some relevance."). The United States Supreme Court has indeed cautioned against creating novel exceptions to privileges because it would introduce "substantial uncertainty" and "could contribute to the general erosion" of privileges "without reference to common-law principles of 'reason and experience.'" *Swidler & Berlin v. United States*, 524 U.S. 399, 409-10 (1998).

Toyota has identified those documents protected from public disclosure as Confidential Business Information, and has submitted a Confidentiality Request and Certificate as required by the agency's regulations.

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

In re:	)
	)
PE14-016	)
Air Bag Inflator Rupture	)
	)

**DECLARATION OF TORU NAGATA IN SUPPORT OF THE  
RESPONSES TO GENERAL ORDER DIRECTED TO TOYOTA**

I, Toru Nagata, declare as follows:

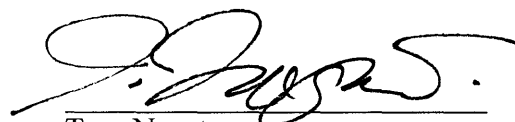
- 1) I am General Manager, Customer Quality Engineering Division of Toyota Motor Corporation (“Toyota”).
- 2) An inquiry has been made reasonably calculated to assure that the foregoing answers and corresponding production of documents in response to the General Order directed to Toyota pursuant to *In re: PE14-016, Air Bag Inflator Rupture*, are correct to the best of Toyota’s understanding based upon its investigation to date. I understand that Toyota will produce additional documents to NHTSA at a later date as they are identified, and, where appropriate, translated.
- 3) The documents of Toyota have been searched diligently for information and documents responsive to this General Order within the time-frame requested by NHTSA.
- 4) Subject to alternative arrangements made with the agency, Toyota will produce such responsive information and documents to the National Highway Traffic Safety Administration (“NHTSA”).



5) Based on a reasonable, good faith inquiry, the answers to the inquiries provided to NHTSA correctly respond to the General Order based upon Toyota's investigation to date. Toyota's investigation into the issues raised in the General Order is ongoing and Toyota reserves the right to amend and/or supplement its response as it completes its investigation and review.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 5, 2014.

  
Toru Nagata

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

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**In re:** )  
 )  
PE14-016 )  
Air Bag Inflator Rupture )

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**DECLARATION OF ABBAS SAADAT IN SUPPORT OF THE  
RESPONSES TO GENERAL ORDER DIRECTED TO TOYOTA**

I, Abbas Saadat, declare as follows:

- 1) I am Vice President, Toyota Motor Engineering & Manufacturing, North America, Inc. (“Toyota”).
- 2) An inquiry has been made reasonably calculated to assure that the foregoing answers and corresponding production of documents in response to the General Order directed to Toyota pursuant to *In re: PE14-016, Air Bag Inflator Rupture*, are correct to the best of Toyota’s understanding based upon its investigation to date. I understand that Toyota will produce additional documents to NHTSA at a later date as they are identified, and, where appropriate, translated.
- 3) The documents of Toyota have been searched diligently for information and documents responsive to this General Order within the time-frame requested by NHTSA.

4) Subject to alternative arrangements made with the agency, Toyota will produce such responsive information and documents to the National Highway Traffic Safety Administration (“NHTSA”).

5) Based on a reasonable, good faith inquiry, the answers to the inquiries provided to NHTSA correctly respond to the General Order based upon Toyota’s investigation to date. Toyota’s investigation into the issues raised in the General Order is ongoing and Toyota reserves the right to amend and/or supplement its response as it completes its investigation and review.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 4, 2014.

  
Abbas Saadat



**Foreign Safety Recall / Other Safety Campaign Report**

Subject: Front passenger frontal air bag issue on certain Toyota vehicles

1. Vehicle Manufacturer Name:

Toyota Motor Corporation ["TMC"]  
Tianjin FAW Toyota Motor Co., Ltd. ["TFTM"]

2. Affected Vehicles:

Make/ Car Line	Model Year	Country/Region	Action	Production Period	Number of Vehicles
Toyota/ Alex, Corolla, Corolla Fielder, Corolla Runx, WiLL VS, Probox, Succeed, Vios, WiLL Cypha	*1	Japan, China	Safety Recall	November 8, 2002 through December 25, 2003	Approx. 190,000

\*1: These countries do not use a model year designation.

3. Substantially Similar Vehicles sold in the U.S.:

Model Year/Make/ Car Line: 2002-2004MY Toyota Corolla, Corolla Matrix, Pontiac Vibe  
Toyota Echo, Scion xA, Toyota Scion xB

4. Description of Problem:

The front passenger frontal airbag inflator installed in a Toyota WiLL Cypha vehicle ruptured when it was intentionally deployed during preparation for vehicle disposal at a salvage yard in Japan. While the root cause of the rupture has not been identified, there is a possibility that inflators of the same type and same model year could rupture in the event of a collision which results in the deployment of the front passenger frontal airbag. The ruptured inflator may create metallic projectile fragments that could contact an interior part or an occupant, increasing the risk of a fire or injury.

5. Description of Corrective Repair Action:

For all affected vehicles, the dealer will replace the front passenger frontal airbag inflator with a new one as a precautionary measure. The replaced airbag inflators will be recovered and investigated to help identify the possible cause of the rupture. If the remedy parts are not available, the dealer will temporarily disable the front passenger frontal airbag system and install on the sun visor a warning placard indicating the airbag will not be activated. The airbag inflator will be replaced when parts become available.

6. Determination to Conduct Safety Recall / Other Safety Campaign:

- The determination was made by Toyota Motor Corporation;
- Date of determination : November 27, 2014
- Date campaign will commence : Mid December, 2014

7. Reason the similar vehicles sold in the U.S. are not involved in this safety recall / other safety campaign:

This action only affects the above mentioned Toyota vehicles equipped with front passenger frontal airbag assemblies with the Takata SPI single stage inflator. Substantially similar vehicles sold in the U.S. are not equipped with the affected SPI inflators. Toyota Corolla, Matrix and Pontiac Vibe vehicles are equipped with different Takata inflators (dual stage inflator: PSPI). The Echo and Scion models are equipped with inflators produced by a different supplier. None of the involved vehicles have been exported or sold in the U.S. Although they are not substantially similar vehicles, all of the Toyota Sequoia and Tundra vehicles equipped with inflators of the same type and same model year are involved in recalls 14V-312 and 14V-655.

**Foreign Safety Recall / Other Safety Campaign Report**

Subject: Driver frontal airbag issue on certain Toyota vehicles

1. Vehicle Manufacturer Name:

Toyota Motor Corporation ["TMC"]

2. Involved Vehicles:

Make/ Car Line	Model Year	Country/Region	Action	Production Period	Number of Vehicles
Toyota/ Vitz, Yaris, RAV4	*1	Japan, Europe, Australia, Asia, Africa, Middle and East, Middle and South America	Safety Recall: Japan, Australia, Europe  Other Safety Campaign: Other countries	December, 2002 through March, 2004	Approx. 57,000

\*1: Most countries/regions do not use a model year designation.

3. Substantially Similar Vehicles sold in the U.S.:

Model Year/Make/ Car Line:        2003 - 2005MY    Toyota Echo, Scion xA, Scion xB, RAV4

4. Description of Problem:

The subject vehicles are equipped with driver frontal airbag assemblies with SDI single stage inflators made by Takata Corporation. During the manufacturing of the inflator, humidity in the environment may not have been properly controlled. The propellant wafers may have been exposed to the uncontrolled environment when the assembly line was temporarily stopped, increasing the likelihood for the propellant wafers to absorb moisture from the air. If sufficient moisture is absorbed, in the event of a collision that results in the deployment of the driver frontal airbag, the inner pressure of the inflator assembly could increase abnormally and the inflator body could rupture. The ruptured inflator may create metallic projectile fragments that could contact an occupant, increasing the risk of injury.

5. Description of Corrective Repair Action:

For all affected vehicles, dealers will replace the driver frontal airbag inflator assembly with a new one.

6. Determination to Conduct Safety Recall / Other Safety Campaign:

- The determination was made by Toyota Motor Corporation;
- Date of determination                : November 20, 2014
- Date campaign will commence    : November 28, 2014

7. Reason the similar vehicles sold in the U.S. are not involved in this safety recall / other safety campaign:

This issue only affects the above mentioned involved Toyota vehicles outside of the U.S. equipped with the driver frontal airbag assemblies with the Takata SDI single stage inflator produced at the LaGrange inflator assembly plant during a certain period. Substantially similar vehicles sold in the U.S. are not equipped with the affected SDI inflators. The Toyota Echo and Scion models are equipped with inflators produced by a different supplier; the RAV4 uses either PSDI-5 or NADI inflators which are not involved in any recall. None of the involved vehicles have been exported to or sold in the U.S.

# TOYOTA

## TOYOTA MOTOR NORTH AMERICA, INC.

WASHINGTON OFFICE

601 THIRTEENTH STREET, NW, SUITE 910 SOUTH, WASHINGTON, DC 20005

TEL: (202) 775-1700

FAX: (202) 463-8513

June 30, 2010

Mr. Claude Harris  
Acting Associate Administrator for Enforcement  
National Highway Traffic Safety Administration  
1200 New Jersey Ave, SE-Room W45-306  
Washington, D.C. 20590

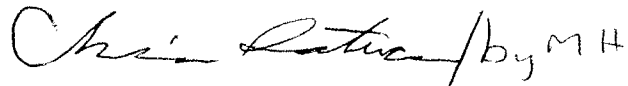
Re: Front Passenger Side Airbag  
Foreign Safety Recall/Other Safety Campaign Report

Dear Mr. Harris:

In accordance with 49 CFR 579.12, attached is a copy of our Foreign Safety Recall/Other Safety Campaign Report for certain Toyota vehicles sold in Japan, Europe and other countries. Vehicles in the U.S. are not affected.

Should you have any questions about this report, please contact me at (202) 775-1707.

Sincerely,  
TOYOTA MOTOR NORTH AMERICA, INC.

Handwritten signature of Chris Santucci, with initials 'MH' written to the right of the signature.

Chris Santucci, Manager  
Technical and Regulatory Affairs

CS:mh  
Attachment

**Foreign Safety Recall / Other Safety Campaign Report****Subject: Front passenger side airbag issue on certain Toyota Vehicles****1. Vehicle Manufacturer Name:**

Toyota Motor Corporation ["TMC"]  
 Assembly Services Sdn. Bhd. ["ASSB"]  
 Toyota Motor Manufacturing France S.A.S ["TMMF"]

**2. Affected Vehicles:**

Make/ Car Line	Model Year	Country	Action	Production Period	Number of Vehicles
Toyota Corolla, Corolla Fielder, Corolla Runx	*1	Japan	Safety Recall	July 25, 2000 through March 29, 2001	36,139
Toyota Corolla	*1	Other Countries	Other Safety Campaign	May 31, 2000 through September 3, 2001	2553
Toyota Yaris	*1	Europe Other Countries	Safety Recall (U.K.) Other Safety Campaign (Others)	January 23, 2001 through May 30, 2001	287

\*1: In these countries, there is no system of Model Year.

**3. Substantially Similar Vehicles sold in the U.S.:**

Make/ Car Line: Toyota Corolla, Chevrolet Prizm, Toyota Echo  
 Model Year: 2001 model year

**4. Description of Problem:**

In the airbag system of the subject vehicles, due to improper assembly of the airbag inflator, which is used in the passenger side front airbag, some inflators were produced with an insufficient amount of gas generators. In this condition, gas generators in the inflator may become broken and powdered by vehicle vibration over time. This can create abnormal combustion and pressure in the inflator body during airbag activation, causing it to break and scatter. This increases the risk of personal injury during airbag inflation.

**5. Description of Corrective Repair Action:**

For all of the affected vehicles, the dealer will replace the passenger side front airbag inflator.

**6. Determination to Conduct Safety Recall / Other Safety Campaign:**

- The determination was made by Toyota Motor Corporation;
- Date of determination to conduct safety recall / safety campaign: June 25, 2010
- Date recall / campaign will commence: Early July, 2010

**7. Reason the affected vehicles sold in the U.S. are not involved in this safety recall / safety campaign:**

The subject airbag inflators were only installed in vehicles produced in Japan, France, and Malaysia for sale in countries outside the U.S. The substantially similar vehicles sold in the United States are equipped with a different type of airbag inflator. The subject inflators have not been sold or offered for sale in the U.S.