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ONE HUNDRED THIRTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6115
Majority (202) 225–2927
Minority (202) 225–3641

December 15, 2014

Mr. Rick Schostek
Executive Vice President
Honda North America
24000 Honda Parkway
Marysville, OH 43040

Dear Mr. Schostek,

Thank you for appearing before the Subcommittee on Commerce, Manufacturing, and Trade on Wednesday, December, 2014 to testify at the hearing entitled "Takata Airbag Ruptures and Recalls."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Tuesday, December 30, 2014. Your responses should be e-mailed to the Legislative Clerk in Word format at **Kirby.Howard@mail.house.gov** and mailed to Kirby Howard, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Lee Terry
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: Jan Schakowsky, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade
Attachment

Additional Questions for the Record

The Honorable Lee Terry

1. If given a serial number for a defective inflator, can Honda currently identify the specific car in which the defective inflator was installed? How long does the identification process take? What are the methods Honda is using to complete the identification?

2. Takata reported that it first received photographs involving a 2004 rupture incident in mid-2005. In a September 16, 2009 filing with NHTSA, Honda reported that it had discovered an unusual deployment that occurred in May 2004. In that filing, Honda noted that the event was reported to Honda in 2004 and information related to the incident was shared with Takata "at that time."[1] Is this the same 2004 incident that was reviewed by Takata in 2005? Please confirm when Honda sent photographs, or any other information, to Takata regarding unusual airbag ruptures that occurred in 2004. If they were sent in 2005, please explain why the photographs were not sent to Takata directly after Honda learned about the incident. Did Honda also report the 2004 incident to NHTSA? If so, when? What was NHTSA's response?

3. Takata reported that it conducted a visual inspection of the photographs and determined that the rupture was an anomaly and that moisture had gotten into the unit. Did Takata report that finding to Honda? If so, when? Was Honda satisfied with that determination? Did Honda request that Takata do any physical testing on the inflator part? Was any testing conducted on the inflator to determine the cause of the rupture?

4. Takata reported that it received three accident reports from Honda involving ruptured airbag inflators between May to August of 2007. Did Honda report those incidents to NHTSA? If so, what was NHTSA's response? Did NHTSA request any follow up action from Honda? If so, please describe what action NHTSA requested of Honda and how Honda followed through with that request.

5. During the 2008-2011 recalls, did Honda ask Takata if the passenger side airbags were suspected of containing any defects? If so, what specific questions did Honda ask Takata about the passenger airbags and what was Takata's response?

6. On December 3, 2014, Autoliv, Inc. stated that it would supply replacement airbag inflators to Honda in support of the ongoing field action initiatives in the United States. When will the first Autoliv replacement part be available? What will be Autoliv's capacity for production of replacement inflators per month? Will Autoliv produce both driver and passenger airbags? For which Honda model and model year vehicles will Autoliv produce airbag inflator replacements?

7. How many Honda employees have safety in their title?

8. Who is the most senior person within Honda solely responsible for safety? How many people would such a person have above them in an organization chart before reaching the CEO?

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[1] See http://www.autosafety.org/sites/default/files/imce_staff_uploads/09V-259%20Why%20Not%20in%2008V593%20Response%209-16-09.pdf

9. Please provide an organization chart for all people who are responsible for any Honda reporting to NHTSA or for anyone within Honda who interacts with NHTSA personnel.

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 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 Honda currently have a similar buy-back program in place with the professional automotive recyclers? If not, why not?

The Honorable Jan Schakowsky

1. Last week, Honda released the results of the third-party audit of its Early Warning reporting under the TREAD Act, which showed that Honda failed to report to NHTSA a total of 1,729 written claims or notices concerning injuries or deaths over a period of about decade.

   a. Honda reported that the third party audit was prompted by inconsistencies identified in reporting. Why did it take more than 10 years to identify those inconsistencies?

   b. Did NHTSA inform Honda of possible discrepancies in January 2012?

   c. What action did Honda take in response to this NHTSA report? Why did Honda not take action as soon as NHTSA informed Honda of the discrepancies?

   d. Honda provided the results of the independent audit to NHTSA in response to NHTSA's Special Order. Has Honda been in contact with NHTSA about what happens next? Do you have any indication of whether Honda will be sanctioned for its failure to comply with the TREAD Act?

e. Eight of the unreported claims related to Takata airbag ruptures, representing a pattern of problems with the Takata airbags. Please provide a written list of other problems, and how many of each, that appeared in the 1,721 other unreported claims.

2. At the Subcommittee hearing on December 3, 2014, I asked you 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 Honda 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.

   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?

3. 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. Japan's transport ministry said that it instructed other automakers to check whether their vehicles could be affected by the same inflator problem. On December 11, 2014, Honda, Nissan, and Mitsubishi also announced recalls to replace airbag inflators made by Takata.

   a. What prompted Honda to take this action?

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

   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 China and Japan related to Takata airbag inflator ruptures.

4. On November 18, NHTSA announced its intention to expand the regional recall of driver's side airbags to a nationwide recall. On December 3, Honda announced that it would expand to a national recall only of driver's side airbags.

   However, Takata's testing results submitted by Takata dated November 17, 2014, showed 63 ruptures of passenger side airbag inflators, but no ruptures of driver's side airbag inflators. These results appear to be inconsistent with the national recall of driver's side airbags only.

   a. Is Honda planning to expand its recall of passenger side airbags to a national recall?

   b. Does Honda support the expansion of the passenger side airbag recalls to a national recall?

c. Has Honda identified the root cause of these passenger-side airbag ruptures?

d. Has Honda determined that the root cause for the driver's side airbag failures is different from the cause for the passenger's side airbag failures? What are the bases for this determination? Please provide documentation of this determination.

5. 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.

   a. Is Honda working to identify vehicles that have been operated in high-humidity regions but have never been registered in those regions? If so, how is Honda identifying such vehicles?

   b. Has Honda notified owners of vehicles that have been operated in high-humidity regions but have never been registered in those regions?

6. In your written testimony submitted to the Subcommittee, you stated that Honda has "a well-respected service division dedicated to supporting our dealers in meeting the needs of each customer throughout the lifetime of vehicle ownership."

   a. Do you include a provision in agreements with Honda dealerships that requires them to perform safety recall repairs prior to offering used Honda vehicles or used vehicles originally produced by other vehicle manufacturers for sale to consumers?

   b. Does compensation to Honda 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?

   c. What criteria do Honda and Honda dealerships use in deciding whether to provide a loaner or rental car to a customer?

   d. What steps are you 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?

7. 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 Honda 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?