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Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
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December 15, 2014

Mr. Craig Westbrook
Vice President of Aftersales
BMW of North America
300 Chestnut Ridge Road
Woodcliff Lake, NJ 07677

Dear Mr. Westbrook,

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. Was BMW aware of the 2003 airbag inflator incident reported in one of its vehicles in Switzerland? If so, was the rupture in a driver's or passenger's frontal airbag? Was NHTSA informed of this incident? Were there any deaths linked to the rupture? Did BMW do any follow up with Takata about the cause of the rupture? If so, what was the cause of the rupture? Please provide a detailed explanation.

2. Mr. Westbrook's testimony states that Takata informed BMW of production issues with certain inflators in May 2013. Did Takata specify what those production issues were? If so, please describe them. Did Takata inform BMW of what it was doing to remedy the production issues? Did Takata provide any documentation to verify that those remedies were implemented? Did BMW take steps to independently verify?

3. Did BMW receive a letter from Takata in 2010 informing BMW that its inflators were not impacted by the defects attributed to the 2008 – 2011 recalls? If so, how did Takata verify that claim?

4. Mr. Westbrook testified that he did not believe NHTSA currently had enough evidence to support a national recall of driver's side airbags. Please explain why Mr. Westbrook reached this conclusion and what the data would need to show for BMW to support NHTSA's national recall request for driver's side airbags?

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

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 BMW 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?

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. Japan's transport ministry said that it instructed other automakers to check whether their vehicles could be affected by the same inflator problem.

    a. Has BMW conducted, or is BMW planning to conduct, any recalls in Japan or China with regard to Takata airbag inflator ruptures?

    b. If so, are the recalls in Japan or China being conducted pursuant to laws or regulations in those countries? What laws or regulations?

    c. Please list the make, model, and model years of each vehicle that was recalled in China and Japan in relation to Takata airbag inflator ruptures.

3. 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 BMW planning to expand its recall of driver's side airbags to a national recall?

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

    c. Has BMW identified the root cause of these driver's or passenger-side airbag ruptures? If so, please explain.

    d. Has BMW 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.

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.

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

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

5. BMW has expressed its commitment to ensuring that all vehicles you produce that are covered by a safety recall are repaired.

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

    b. Does compensation to BMW 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 BMW and BMW dealers use in deciding whether to provide a loaner or rental car to a customer?

    d. What steps is BMW 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?

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 BMW 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?