HONDA

American Honda Motor Co., Inc. 1919 Torrance Boulevard Torrance, CA 90501-2746 Phone (310) 783-2000

December 3, 2014

Frank Borris Director, Office of Defects Investigation National Highway Traffic Safety Administration U.S. Department of Transportation 1200 New Jersey Avenue, S.E. Washington, D.C. 20590

Dear Mr. Borris,

This letter is to update the November 5, 2014, response of American Honda Motor, Co., Inc. to the ten areas of inquiry set forth in the October 29, 2014, letter from Deputy Administrator David Friedman regarding the actions Honda has been taking in response to the safety risk posed by certain Takata driver and passenger airbag inflators. This letter only addresses those areas of inquiry for which Honda has additional updated information beyond that contained in my letter to you dated November 26, 2014.

1. We have continued our active communications with Takata to discuss and forecast replacement parts demand and production so that we can have the greatest likelihood of meeting anticipated customer demand. To further increase the parts supply, we have been in discussions with two other suppliers, Autoliv and Daicel, about expanding the production of replacement inflators. These talks have been encouraging and we believe will ultimately reduce the duration of any shortage. Until those parts are available, we will continue to discuss with NHTSA and Takata how to best manage the supply issue. Based on the information from them, we believe it is best to prioritize the replacement of driver airbag inflators in what are considered to be the highest risk areas of the country.

Over the past week we generally have been able to meet customer demand for airbag inflator replacements on a just-in-time basis, though in a few instances we experienced a back-order situation that were quickly resolved. In addition, we are expanding the use of overnight delivery services to get replacement parts immediately to dealers in all parts of the country. That said, with our announcement today to expand our regional Safety Improvement Campaign for driver side airbag inflators (14V-353) into a nationwide Safety Improvement Campaign, we believe that a parts shortage may occur, even as we actively work with Takata and other suppliers to increase the supply of replacement parts and also manage customer notification mailings to target those vehicles located in areas of the country that data suggests are at highest risk. We will keep NHTSA apprised of our parts supply position as the situation develops.

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- 2. Our dealers continue to have sufficient service capacity to meet customer demand for recall repairs, which based on warranty claims received as of the close of business December 1, 2014 numbered 37,021 for the November 25-December 1 Thanksgiving week time period. While continued media coverage of the Takata airbag inflator recalls and other events has resulted in a manageable spike in customer demand, our expansion into a nationwide Safety Improvement Campaign for driver side airbag inflators, if not correctly and actively managed, could impact our dealers' service capacity. We will continue to work with dealers to avoid that type of outcome and to assist them in meeting the service needs of our customers.
- 3. Our websites continue to alert customers to the existence of the Takata airbag inflator recalls and encourage them to have their vehicles repaired if affected.
- 4. Between November 25, 2014, and December 1, 2014, Honda received an additional 699 dealer warranty claims for loaner and rental vehicles that were provided to customers, bringing the total number of loaner and rental vehicles provided to customers since October 1, 2014, to 6,787. We continue to monitor the availability of loaner and rental cars so that we can meet our customers' needs.
- 5. As we announced on December 2, 2014, Honda is advocating for coordinated, industrywide third-party testing of Takata airbag inflators with the goal of ensuring that all inflators that require replacement are accurately identified and fixed as quickly as possible.

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- NHTSA ID Total Affected In Operation Repair **Repaired Since** Last Update (known to Completed date) 13V-132 561,422 558,610 758 196,507 (pass. side) 14V-349 988,440 6,003 988,439 37,439 (pass. side) 14V-351 2,803,214 2,803,203 24,440 212,587 (driver side) 14V-353 698.288 698,285 47,893 5,820 (pass. side) 14V-700 TBD TBD TBD n/a (pass. side) Note: A large percentage of the vehicles requiring repair of a passenger airbag inflator also require repair of a driver airbag inflator. As a result, the total affected vehicle population is less than the sum of all affected components reflected in this table. In addition, the population of affected vehicles in recall 14V-700 will be drawn from the population of affected vehicles in the prior passenger side airbag inflator recalls listed in this table, so that the sum of all affected components (and the population of all affected vehicles) should not change overall. We anticipate that the affected population for 14V-700 will be ascertained in the next few weeks, after registered owner information is pulled from the motor vehicle agencies in all 50 states and analyzed.
- 9. Updated numbers for the recalls as of December 1, 2014, are as follows:

Please let me know if you have any questions with regard to these updates or any related issues.

Sincerely,

AMERICAN HONDA MOTOR CO., INC.

OSCPL/IWA Jav Joseph (

Assistant Vice President Product Regulatory Office