VOLKSWAGEN

GROUP OF AMERICA

OFFICE OF CHIEF COUNSEL

2016 JAN 13 P 4:37

Paul Hemmersbaugh, Acting Chief Counsel Office of Chief Counsel National Highway Traffic Safety Administration West Building, W41-326 1200 New Jersey Avenue S.E. Washington D.C. 20590 Christopher T. Sandvig NAME General Manager Title Group Customer Protection Department 248-754-5000 Phone 248-754-5093 Fax January 12, 2016 Date

Re: EA15-001 Air Bag Inflator Rupture Special Order Directed To Volkswagen Group of America, Inc. Supplemental Response Due Date – January 12, 2016

VOLKSWAGEN GROUP OF AMERICA, INC 3800 HAMLIN ROAD AUBURN HILLS, MI 48326 PHONE +1 248 754 5000

Dear Mr. Hemmersbaugh:

Please find attached Volkswagen's January 12, 2016 supplemental response to the <u>Special</u> <u>Order Directed To Volkswagen Group of America, Inc.</u>, in reference to EA15-001, Air Bag Inflator Rupture, requesting information concerning a SSI-20 air bag inflator rupture in a 2015 MY Volkswagen Tiguan, on June 7, 2015, as reported to the agency on July 15, 2015.

Thank you for granting Volkswagen's request to extend the response date from January 01, 2016 to January 12, 2016, per the email received from Ms. Elizabeth Mykytiuk, dated December 08, 2015.

With the exception of this January 2016 extension request, Volkswagen will continue to meet the requirement for 30 day supplemental submissions as outlined in the Special Order.

Per the Special Order direction, each request is restated verbatim and followed by our response.

Please contact me if you have any questions regarding this response.

Sincerely,

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Christopher T. Sandvig General Manager, Group Customer Protection Volkswagen Group of America, Inc.

The following constitutes supplemental Volkswagen Group responses to the Department of Transportation, National Highway Traffic Safety Administration.

SPECIAL ORDER DIRECTED TO VOLKSWAGEN GROUP OF AMERICA, INC.

In re: EA 15-001 (Formerly PE14-01(6) Air Bag Inflator Rupture, Dated August 13, 2015 and Received by Volkswagen AG on Monday, August 17, 2015.

Most of the information required to respond to this special order is in the possession of or can only be secured with the technical and logistical assistance of Volkswagen AG in Wolfsburg, Germany.

Volkswagen will continue to meet the requirement for 30 day supplemental submissions as outlined in the Special Order.

Volkswagen restates the request and follows with its response.

1. Provide a detailed, narrative explanation, including a timeline of events and knowledge, and supporting documentation (including police reports), of your understanding of the SSI-20 air bag inflator rupture in the Volkswagen Tiguan on or about June 7, 2015.

Response 1

No additional information available in response to Request 1.

2. Provide a detailed, narrative explanation, including a timeline of events and knowledge, and supporting documentation (including police reports), of your understanding of any confirmed or alleged SSI-20 air bag inflator rupture in any Volkswagen vehicle (other than the incident identified in Request No. 1), or during any Volkswagen testing, including testing conducted by any third party on behalf of, or at the direction of, Volkswagen.

Response 2

Volkswagen has not identified nor has been informed of any alleged or confirmed SSI-20 air bag inflator rupture events beyond those previously reported. The following chronology relates to the ongoing analysis of SSI-20 inflators.

Wednesday, November 18, 2015

First summary of findings from CT analysis of blocked lot parts and ballistic tests (firing of the inflator). No inflator has burst during firing, peculiarities have been recorded (unburnt propellant tablets, slag).

[refer to document(s): 20151118_Zusammenfassung Ergebnisse]

Friday, November 20, 2015

Additional tests with fired inflators have been defined, to evaluate peculiarities found during previous tests (i.e. evaluation of the effect of individual un-burnt propellant tablets and source of slag).

[refer to document(s): 20151120_Maßnahmen aus Erkenntnissen am 21]

Wednesday, November 25, 2015

Volkswagen Group brands have received an inquiry from the German Traffic Safety Agency (KBA or Kraftfahrtbundesamt) about ruptured inflators.

[refer to document(s): 20151125_5618 unkontrollierte Seitenairbag Auslösung Anfr Her 01_R_Mail_vorab]

Thursday, November 26, 2015

Updated management information about SSI-20 alternatives and implementation of tightened quality control for SSI-20 inflators and propellant. Ceramic cushion evaluation is closed after risk evaluation and review in Volkswagen's product safety committee. Continued field monitoring was decided.

[refer to document(s): 20151126_20151126-Takata SAB V3]

Friday, November 27, 2015

Regular meeting/update with Takata. Replication tests with blocked ceramic cushion holes concluded without inflator rupture. Influence of desiccant bags inside aluminium transportation bags was ruled out. No influence in average values could be found, only slight impact on variance was detected.

[refer to document(s): 20151127_20151127_SSI20_Weeklyupdate]

Monday, November 30, 2015

Management information about current analysis status. Root cause is still undetermined, a combination of multiple causes appears likely. Report about findings from ballistic tests. Risk assessment for affected blocked lots was calculated to be less than 0.1 ruptures for the full lot over lifetime after firing 600 inflators without rupture.

[refer to document(s): 20151130_Info an KGQ-Leitung_01122015]

Wednesday, December 2, 2015

Next steps have been defined to continue analysis of detected peculiarities and possible manufacturing issues.

[refer to document(s): 20151202_Takata - Offene Punkte; 20151202_Takata - Weitere Schritte nach CT]

Thursday, December 3, 2015

Discussion of next steps with Takata. [refer to document(s): 20151204_Takata - Offene Punkte]

Thursday, December 10, 2015

Information from Takata about results from initiated actions (tightened quality control), amount of rejected propellant from production. Test results from thermal cycling tests regarding breaking strength show no influence of desiccant, or desiccant+moisture and cycle duration. [refer to document(s): 20151212_VW20151210]

Wednesday, December 16, 2015

Internal discussion of draft answer for German authority. Draft reports no ruptured inflators from Volkswagen Group brands.

[refer to document(s): 20151216_Anfrage KBA Seitenairbag - Antwortvorschlag]

Information has been acquired and reviewed through Wednesday, December 16, 2015, in preparation of Volkswagen's January 12, 2016 supplemental response.

3. Other than as previously disclosed in response to Requests No. 1 and 2 above, provide a detailed, narrative explanation, including a timeline of events and knowledge, and supporting documentation (including police reports), regarding any confirmed or alleged rupture of any air bag inflator in any Volkswagen vehicle.

Response 3

Volkswagen reconfirms it has not received any additional reports of an alleged or confirmed rupture of any air bag inflator in any Volkswagen vehicle since the December 01, 2015 supplemental response.

4. For each incident identified in your responses to Request Nos. 1 - 3, provide a copy of all documents that refer to, relate to, discuss, or concern Takata's assessment of the incident, and all documents that Volkswagen gathered as part of its investigation (including any police accident reports).

Response 4

All Takata related documents, in response to Request 2 are being provided in a folder entitled, "REQUEST NUMBER FOUR" on the enclosed disc. Exhibit to Request 4

Data is provided in the specified file format in the REQUEST NUMBER FOUR folder on the Special Order Re: EA15-001 – Air Bag Inflator Rupture January 12, 2016 Volkswagen Group of America, Inc. Response Material 5. For each incident identified in your responses to Request Nos. 1 - 3, provide a copy of all documents that refer to, relate to, discuss, or concern Volkswagen's assessment of the incident, and all documents that Volkswagen gathered as part of its investigation (including any police accident reports), other than those already identified or provided in your response to Request No. 4.

Response 5

All Volkswagen related documents, in response to Request 2 are being provided in a folder entitled, "REQUEST NUMBER FIVE" on the enclosed disc.

Exhibit to Request 5

Data is provided in the specified file format in the REQUEST NUMBER FIVE folder on the Special Order Re: EA15-001 – Air Bag Inflator Rupture January 12, 2016 Volkswagen Group of America, Inc. Response Material 6. For all side air bag inflators installed in any vehicle produced by Volkswagen, provide the Lot Acceptance Testing (LAT) failure rates, number of inflators that failed, and total number of inflators tested, for each inflator type broken down by LAT group. For any other type of testing conducted by Volkswagen, or by a third party on your behalf or at your direction, on side air bag inflators state what type of testing was conducted (including how a group or test category is defined) and the failure rates, number of inflators that failed, and total number of inflators tested.

Response 6

Volkswagen provides the updated internal Conformity of Production (CoP) testing regarding the SSI-20 side airbag inflator. All tests were performed without any inflator rupture.

The updated table is provided as Attachment COP to Request 6.

Volkswagen has requested Takata to provide the Lot Acceptance Testing (LAT) failure rates, number of inflators that failed, and total number of inflators tested, for each inflator type broken down by LAT group on LAT test group level.

To date, Takata has provided the 2015 production data broken down by lot test level. Incidents of previous inflator ruptures have been reported, as required. Volkswagen has requested Takata to provide monthly updates, providing information in table format, dating back to SOP.

The lot information table is provided As Attachment LAT to Request 6 and replaces the previously provided high-level LAT overview table.

Volkswagen will provide updates as required with the next scheduled updates.

7. Provide a list of all vehicles ever produced by Volkswagen that contained an air bag inflator that in any way utilized phase stabilized ammonium nitrate as a propellant. Include the vehicle model (M), vehicle model year (MY), total number of vehicles produced for each MMY identified in response to this Request, inflator supplier, and inflator type. Organize the information chronologically based on inflator supplier and type.

Response 7

Volkswagen is providing a table with current production volumes through December 31, 2015, related to air bag inflators which utilize phase stabilized ammonium nitrate. A complete overview is provided as Attachment to Request 7.

As U.S.A. production information is updated by Volkswagen, it will be included in subsequent updates to the Special Order.