



TO: National Highway Traffic Safety Administration, U.S. Department of Transportation

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Administrator

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FROM: TK Holdings Inc.

DATE: July 17, 2015

RE: Proposed Plan to Test the Service Life and Safety of Certain Inflators

In accordance with the May 18, 2015 Consent Order (the "Consent Order"), TK Holdings Inc. ("Takata") has prepared the attached Proposed Plan to Test the Service Life and Safety of Certain Inflators (the "Testing Plan"). As contemplated in the Consent Order, the Testing Plan represents an initial proposal. Takata remains eager to work with NHTSA and with its automaker customers to finalize a plan for the testing of inflators and to provide the resulting data to NHTSA.

Background

The Consent Order provides that "[n]o later than 60 days after the execution of th[e] Consent Order, Takata shall submit a plan to NHTSA that outlines the steps that Takata will take . . . to achieve the objectives of the Safety Act and th[e] Consent Order." The Consent Order requires two components. Takata has responded to the first component in a separate memorandum and presentation, which have been delivered along with the accompanying Testing Plan. The second component requires Takata to "propose a plan to provide NHTSA with test data NHTSA deems sufficient or other information regarding the service life and safety of the remedy inflators currently being manufactured by Takata."

In addition, requests eight and nine of the Third Special Order issued in EA15-001 (formerly PE14-016) on June 19, 2015 ("Request Eight" and "Request Nine," respectively) sought similar information. Request Eight sought a narrative explanation of testing "involving inflators designated by Takata and/or its customers as types SPI, PSPI, and PSPI-L, which was installed as original equipment on any motor vehicle that is currently outside the scope of the Part 573 Reports filed by Takata on May 18, 2015[.]" Request Nine sought similar information for testing "involving any frontal air bag inflator manufactured by Takata that contains the 2004 Propellant or 2004L Propellant . . . that is not currently the subject of any Recall(s) to determine whether these inflators are susceptible to rupturing and/or over-pressurization."

Takata provided its initial response to Requests Eight and Nine on July 10, 2015. In response to both, Takata's initial response noted that, "[p]ursuant to the Consent Order, . . . Takata w[ould] provide to NHTSA a proposed test plan regarding the service life and safety of the[] inflators, including testing Takata will perform to determine whether they are susceptible to over-pressurization and/or rupturing." Since both the Consent Order and Requests Eight and Nine call for information regarding testing on a variety of inflator classes, the accompanying Testing Plan combines the response to Paragraph 10.b. of the Consent Order with the supplemental responses to Requests Eight and Nine into a single submission.

Overview of the Proposed Testing Plan

The Testing Plan provides information regarding replacement kit inflators currently produced and planned to be produced by Takata. For each of the driver-side and passenger-side applications, the Testing Plan identifies the inflators and propellants used or planned for future use in replacement kits. Further, the Testing Plan identifies planned changes to these inflators.

Next, the Testing Plan identifies a service life testing protocol for the inflators, which has categorized into four groups: (i) Scope Confirmation Testing; (ii) Vehicle Bias Testing; (iii) Degradation Mechanism Testing; and (iv) Service Life Assessment Testing. Takata expects that the results of the tests proposed to be carried out in these four categories will inform Takata's assessment of the service life and safety of unrecalled and replacement inflators containing phase-stabilized ammonium nitrate ("PSAN").

The Testing Plan details the makeup of each testing category, including identifying various multiple individual tests that make up the various testing categories. Testing in the various categories will be conducted by Takata's own Product Safety Group (the "PSG") and by the Fraunhofer Institute for Chemical Technology. The Proposed Plan also provides a narrative discussion of each category of testing, including goals, potential applications, and timing.

Timing and Delivery of Information to NHTSA

Takata proposes to provide NHTSA access to the information and data identified in this plan on a rolling basis. We look forward to working with NHTSA to finalize a testing plan based on this proposal.

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The attached Testing Plan is subject to a confidentiality request under 49 C.F.R. Part 512, which has been submitted along with these materials. The proposal contains proprietary information as well as information about planned technical changes to inflator products. This information has not been released outside of the company except for certain limited purposes under confidentiality and/or non-disclosure agreements.

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