U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

1200 New Jersey Avenue SE.
Washington, DC 20590

August 18, 2020

VIA EMAIL

Mr. Steve Gold
Director, Inflator Products
ARC Automotive, Inc.
1729 Midpark Road
Knoxville, Tennessee 37921
steve.gold@arcautomotive.com

NEF-102sly
EA16-003

Dear Mr. Gold:

As you are aware, the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) has opened an Engineering Analysis (EA16-003) to investigate allegations of ruptures involving toroidal shaped hybrid air bag inflators, both passenger and driver side, manufactured by ARC Automotive, Inc. (ARC). ODI is requesting additional information from ARC to facilitate its investigation of the potential risk of a deployment-related field rupture of the toroidal shaped hybrid front passenger air bag inflator (PH7) in the U.S. market.

The scope of this Information Request is defined as all PH7 air bag inflators manufactured during a certain production time frame. The production time frame is defined by a) a starting point of June 1, 2014, the inflator build date of a confirmed field event, and b) the end point of January 31, 2018, the implementation date of equipment and process improvements by ARC on all toroidal inflator assembly lines. This Information Request is separate from and requests information supplemental to the long-established and ongoing processes the Agency has in place to monitor field rupture event allegations and ARC production anomalies through the issuance of two Standing General Orders (SGOs).[1]

Unless otherwise stated in the text, the following definitions apply to these information requests:

- **Subject Component:** Hybrid toroidal shaped frontal passenger air bag inflators (PH7) manufactured by ARC that were subsequently supplied to a Tier 1 supplier or other manufacturers of air bag modules to be installed in a passenger vehicle.

- **Subject Component Test Deployments**: A deployment of the Subject Component that occurs during Subject Component Testing.

[1] The SGOs can be found on NHTSA.gov under EA16-003.

- **Subject Component Testing**: Any quality, verification or conformance tests regularly conducted by ARC in connection with the production of the Subject Components, including but not limited to Lot Acceptance Tests (LAT), Conformance of Production tests (CoP), Production Validation tests (PV) and hydroburst tests.

- **Successful Deployment**: A deployment of the Subject Component during which the Subject Component did not rupture or produce abnormal shrapnel/projectiles.

- **Production Time Frame of Interest:** June 1, 2014 through January 31, 2018.

- **ARC:** ARC Automotive, Inc. all of its past and present officers and employees, whether assigned to its principal offices or any of its field or other locations, including all of its divisions, subsidiaries (whether or not incorporated) and affiliated enterprises and all of their headquarters, regional, zone and other offices and their employees, and all agents, contractors, consultants, attorneys and law firms and other persons engaged directly or indirectly (e.g., employee of a consultant) by or under the control of ARC (including all business units and persons previously referred to), who are or, in or after 1995, were involved in any way with any of the following related to the alleged defect in the subject vehicles:

  a. Design, engineering, analysis, modification or production (e.g. quality control);
  b. Testing, assessment or evaluation;
  c. Consideration, or recognition of potential or actual defects, reporting, record-keeping and information management, (e.g., complaints, field reports, warranty information, part sales), analysis, claims, or lawsuits; or
  d. Communication to, from or intended for zone representatives, fleets, dealers, or other field locations, including but not limited to people who have the capacity to obtain information from dealers.

- **Other Terms:** To the extent that they are used in these information requests, the terms "claim," "consumer complaint," "dealer field report," "field report," "fire," "fleet," "good will," "make," "model," "model year," "notice," "property damage," "property damage claim," "rollover," "type," "warranty," "warranty adjustment," and "warranty claim," whether used in singular or in plural form, have the same meaning as found in 49 CFR 579.4.

In order for my staff to evaluate the alleged defect, certain information is required. Pursuant to 49 U.S.C. § 30166, please provide numbered responses to the following information requests. Please repeat the applicable request verbatim above each response. After ARC's response to each request, identify the source of the information and indicate the last date the information was gathered.

1. Identify all air bag module manufacturers (Tier 1 suppliers, or customers) to which ARC provided Subject Components. Separately, for each customer and by calendar month and year, provide the following additional information regarding Subject Component Test Deployments, for the Production Time Frame of Interest, in tabular form entitled "ARC DEPLOYMENT DATA."

    a. Customer name;
    b. ARC inflator part number;
    c. Customer inflator part number;
    d. Inflator (PH7-90 / PH7-120);
    e. Stage configuration (Single / Dual);
    f. ARC manufacturing plant;
    g. ARC manufacturing line;
    h. Test type (LAT, CoP, PV, hydroburst, etc.);
    i. Date of deployment (MM/YYYY), and;
    j. Number of Successful Deployments.

2. Describe in detail the approach and process ARC used to determine the Subject Component Testing information reported in the response to Request 1, and explain why ARC believes the process is accurate and appropriate.

3. Describe in detail ARC's process and the procedures for conducting and documenting Subject Component Testing, including, but not limited to, how frequently the testing is conducted and all applicable procedures for Subject Component units whose test results fail to result in a Successful Deployment. This request specifically includes, but is not limited to, all procedures and processes for the quarantine and disposition of Subject Components following an inflator rupture.

Legal Authority for This Request

This letter is being sent to ARC pursuant to 49 U.S.C. § 30166, which authorizes NHTSA to conduct any investigation that may be necessary to enforce Chapter 301 of Title 49 and to request reports and the production of things. It constitutes a new request for information.

Civil Penalties

ARC's failure to respond promptly and fully to this letter could subject ARC to civil penalties pursuant to 49 U.S.C. § 30165 or lead to an action for injunctive relief pursuant to 49 U.S.C. § 30163. Other remedies and sanctions are available as well. The Vehicle Safety Act, as amended, 49 U.S.C. § 30165(a)(3), provides for civil penalties of up to $22,239 per violation per day, with a maximum of $111,642,265 for a related series of daily violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. *See* 49 C.FR § 578.6. This includes failing to respond completely, accurately, and in a timely manner to ODI information requests.

If ARC cannot respond to any specific request or subpart(s) thereof, please state the reason why it is unable to do so. If on the basis of attorney-client, attorney work product, or other privilege, ARC does not submit one or more requested documents or items of information in response to this information request, ARC must provide a privilege log identifying each document or item withheld, and stating the date, subject or title, the name and position of the person(s) from, and the person(s) to whom it was sent, and the name and position of any other recipient (to include all carbon copies or blind carbon copies), the nature of that information or material, and the basis for the claim of privilege and why that privilege applies.

Confidential Business Information

All business confidential information must be submitted directly to the Office of Chief Counsel as described in the following paragraph and should not be sent to this office. In addition, do not submit any business confidential information in the body of the letter submitted to this office. Please refer to EA16-003 in ARC's response to this letter and in any confidentiality request submitted to the Office of Chief Counsel.

If ARC claims that any of the information or documents provided in response to this Information Request constitute confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or are protected from disclosure pursuant to 18 U.S.C. § 1905, you must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 C.F.R. Part 512, to Jeff Eyres, Office of Chief Counsel, at jeffrey.eyres@dot.gov. *See* 5 U.S.C. § 552(b)(4); 49 C.F.R. § 512.5; *Food Marketing Institute v. Argus Leader Media*, 139 S. Ct. 2356 (2019). You may also contact Mr. Eyres at 202.913.4307 if you would like to arrange for a method of submission other than email.

ARC is required to submit a copy of the documents containing allegedly confidential information and a copy containing only the portions for which no claim of confidential treatment is made and from which those portions for which confidential treatment is claimed has been redacted. *See* 49 C.F.R. § 512.5. Please remember that the phrase "ENTIRE PAGE CONFIDENTIAL BUSINESS INFORMATION" or "CONTAINS CONFIDENTIAL BUSINESS INFORMATION" (as appropriate) must appear at the top of each page containing information claimed to be confidential, and the information must be clearly identified in accordance with 49 C.F.R. § 512.6. Additional information can be found on the Agency's website at: https://www.nhtsa.gov/coronavirus/submission-confidential-business-information.

Due Date

ARC's response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by **September 30, 2020**. ARC's response must include all non-confidential attachments and a redacted version of all documents that contain confidential information. If ARC finds that it is unable to provide all of the information requested within the time allotted, ARC must request an extension from me at (202) 366-5226 no later than five (5) business days before the response due date. If ARC is unable to provide all the information requested by the original deadline, it must submit a partial response by the original deadline with whatever information ARC then has available, even if an extension has been granted.

Please send email notification to Sharon Yukevich at sharon.yukevich@dot.gov and to ODI_IRresponse@dot.gov when ARC sends its response to this office and indicate whether there is confidential information as part of ARC's response.

If you have any technical questions concerning this matter, please call Sharon Yukevich of my staff at (202) 366-4925.

Sincerely,

Stephen A. Ridella

Stephen A. Ridella, PhD
Director
Office of Defects Investigation