CONTINENTAL AUTOMOTIVE SYSTEMS, INC.

Airbag Control Units - Chronology

Manufacturer's Name:

Continental Automotive Systems, Inc. ("Continental") One Continental Drive Auburn Hills, MI 48326

Chronological Summary of Events:

On January 30, 2008, Continental received an airbag control unit ("ACU") from Daimler AG ("Daimler") that was removed from a vehicle whose owner complained of an illuminated airbag warning light. Continental analyzed the ACU and determined the ASIC was malfunctioning. Continental sent the ASIC to Atmel Corporation ("Atmel") for further analysis.

Atmel began an investigation and in late March 2008, Atmel determined that due to variations in the manufacturing process of the ACU's power supply component ("ASIC"), corrosion in the semiconductor material could lead to swelling within the layers of the semiconductor. Subsequently, electrical connections might be interrupted, which could lead to a failure of the ASIC component.

Thereafter, Atmel implemented two countermeasures to reduce the likelihood of the corrosion and a corrective action to prevent the corrosion from occurring in the future. Atmel and Continental notified their customers of the investigation results and Atmel's countermeasures and corrective action.

Continental, Atmel, and the various vehicle manufacturers continued to monitor and analyze field returns and determined that after the countermeasures were implemented, field returns for this ASIC issue reduced significantly.

In early 2011, Continental became aware of two inadvertent deployments in the field, one from a Daimler vehicle and one from a FCA US LLC ("Chrysler") vehicle. Continental, Atmel, Chrysler, and Daimler continued to investigate this topic and the potential risk of an inadvertent deployment due to this ASIC issue. In August 2011, Continental concluded that the inadvertent deployments that occurred in the Daimler and the Chrysler vehicles were related to this ASIC issue.

In March 2013, Daimler initiated a service campaign outside of the United States covering certain vehicles to address this ASIC issue.

In April 2015, American Honda Motor Company ("Honda") requested that Continental conduct a download of an ACU from a 2008 Honda Accord that was involved in an accident on October 26, 2013 and was the subject of a lawsuit. On July 21, 2015, Continental analyzed the ACU and determined that the ASIC was malfunctioning.

On July 21, 2015, NHTSA contacted Continental and requested that Continental conduct a download of an ACU from a MY 2008 Honda Accord that was involved in an accident on March 30, 2015.

On August 18, 2015, NHTSA opened PE15-029 regarding MY 2008 through 2010 Honda Accords.

On September 9, 2015, Continental analyzed the ACU from the MY 2008 Honda Accord that was involved in an accident on March 30, 2015. On the same date, Continental removed the ASIC from the ACU that was installed in the MY 2008 Honda Accord that was involved in an accident on October 26, 2013. The ASIC was sent to Atmel for further analysis and on September 28, 2015, Atmel confirmed that the malfunction of this ASIC was related to this topic.

In October 27, 2015, Mercedes-Benz USA, LLC filed a Defect Information Report (15V-711) covering certain MY 2008 and MY 2009 Mercedes Benz C-Class and MY 2010 Mercedes Benz GLK-Class vehicles to address this ASIC issue.

On January 15, 2016, Honda notified Continental that it determined that a safety-related defect exists in the ACU of certain MY 2008 and 2009 Honda Accords due to the same defect covered in Mercedes-Benz USA, LLC's Defect Report.

For the approximately 3 million ACUs produced from 2006 until implementation of the countermeasures, Continental is aware of 521 field returns that were correlated to this ASIC issue. For the approximately 2 million ACUs produced after these countermeasures, Continental is aware of 81 field returns that were correlated to this ASIC issue. Continental is not aware of any field returns for this ASIC issue after implementation of the final corrective measure.

Pursuant to 49 CFR 573.3(f), Continental is filing this Defect Information Report.