

# United States Senate

WASHINGTON, DC 20510

August 20, 2015

Mr. Kevin Kennedy  
Executive Vice President, North America  
TK Holdings, Inc. (Takata)  
2500 Takata Drive  
Auburn Hills, Michigan 48326

Dear Mr. Kennedy:

As new reports surface of explosions in the latest models of Takata airbags, we write to express our deep concern over the obfuscation and delay that your company has engaged in while searching for a root cause of these defects. Takata's defective airbags have already caused at least eight deaths and more than one-hundred injuries in the United States – numbers that may increase as further cases come to light – and it is essential for your company to do all it can to identify and address the cause of this problem. In light of the most recent incident, which did not occur in one of the regions originally designated as “high humidity,” and which involved a 2015 vehicle not currently subject to recall, we urge you to voluntarily recall *all* vehicles containing Takata airbags. We also strongly urge you to immediately make public, on an ongoing basis, any and all data related to the testing of Takata's airbags, so that it can be reviewed by independent experts and analysts.

The Associated Press reported this week that the National Highway Traffic Safety Administration (NHTSA) has opened an investigation into the June 7, 2015 explosion of a Takata side airbag in a 2015 Volkswagen Tiguan near St. Louis, Missouri. This is the first incident reported in a VW, the first incident reported in a side airbag, and – most importantly – the first involving the newest models of Takata airbags. This directly undercuts Takata's continued insistence – despite growing evidence to the contrary – that the flaws in its airbag inflators are limited to prior designs in older model cars and only present when the airbags have prolonged exposure to extremely humid conditions. This incident, as well as Takata's recent follow-up responses to the June 23, 2015 hearing of the Senate Committee on Commerce, Science, and Transportation examining the airbag defect, call into question whether all airbags made with the ammonium nitrate propellant pose an imminent danger to countless American drivers and passengers.

At the June 23 hearing, Takata confirmed that phase-stabilized ammonium nitrate is still being used as a propellant in its airbags. Both during this hearing and in follow-up questions, we expressed our concern over Takata's continued use of ammonium nitrate mixtures in its new inflator designs and our dismay at Takata's unwillingness to acknowledge the strong association between ammonium nitrate and the safety defect that has led to the rupturing of so many inflators.

To the extent that any uncertainty remains regarding the precise cause of the defect, this only underscores our concerns. As Takata testified at the hearing, “[e]very inflator has a leak path that can

allow moisture in. Every inflator that's out there." It is well known that ammonium nitrate mixtures may become unstable when the substance becomes moist or accumulates moisture. Further, as Takata admitted in its written response, based on current testing results for a root cause, "all Takata [phase-stabilized ammonium nitrate]-based inflators, whether new or old, contain moisture." Given this ubiquitous risk, it is deeply disturbing that Takata has now admitted that it is "unable to quantify as a single number the level of moisture [in its inflators] that is sufficient to cause safety concerns." This willful lack of transparency unnecessarily risks the lives of many American motorists. We strongly urge Takata to disclose the standard it currently applies to determine how much moisture is acceptable in its new inflators.

We were pleased to hear in Takata's testimony that the replacement inflators have been "vigorously" tested. But given that replacement components continue to contain ammonium nitrate, we are extremely concerned they may still put motorists at risk of death or serious injury. This explains why some automobile manufacturers, like Honda, have turned to alternative airbag suppliers who use safer propellants that are free of ammonium nitrate, and why we believe it is essential for Takata to make contingency plans in case a further recall of its replacement parts is required. Based on Takata's answers to the Committee and the June 7<sup>th</sup> incident, we believe that manufacturers and regulators need to prepare American motorists to expect many more recalls, including the recall of vehicles manufactured after 2008 and possibly even of vehicles that have already had replacement inflators installed if the replacements contain ammonium nitrate.

To confirm that the testing has been as vigorous as Takata has stated – and, more importantly, that the remedial components are safe – we call on Takata to disclose publicly all relevant test results for its new and previous inflator designs, fully, completely, and without delay. In particular, Takata should highlight any evidence it has of moisture intrusions or accumulations in the newer inflator designs currently being installed in American vehicles. Releasing all test results for public inspection is an essential step towards ensuring greater transparency, protecting American motorists, and accurately identifying the root cause of this deadly safety defect as quickly as possible.

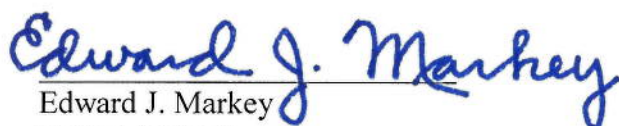
It is deeply disappointing that Takata has also refused to establish a victim's compensation fund – even after so many safety incidents have already been attributed to its defective airbags. Takata is apparently unwilling to acknowledge its responsibility for these tragic deaths and injuries, or do justice for victims and their loved ones. We urge Takata to reverse this misjudgment.

We believe that Takata has a duty to ensure that its replacement airbags are truly safe and to provide motorists with answers to the serious doubts we have raised about the sufficiency and credibility of Takata's testing and recall efforts to date. We look forward to working with you on this and other important safety-related issues. Thank you for your testimony to date, and we request your timely response to this letter by September 3, 2015.

Sincerely,



Richard Blumenthal  
United States Senator



Edward J. Markey  
United States Senator