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July 7, 2015

The Honorable Richard Blumenthal
706 Hart Senate Office Building
Washington, D.C. 20510

Re: Hearing on “Update on the Recalls of Takata Air Bags and NHTSA’s Vehicle Safety Efforts,” June 23, 2015, Committee on Commerce, Science, and Transportation

Dear Senator Blumenthal:

As promised, I am writing on behalf of TK Holdings Inc. (“Takata”) to follow up on your suggestion that Takata establish a compensation fund to address damages claims relating to airbag ruptures modeled on the General Motors fund for claims related to faulty ignition switches. I very much appreciate your giving me the opportunity to consult with the leadership of my company before responding to this suggestion.

As I stressed at the hearing on June 23, we deeply regret each instance in which one of our products did not perform as intended and someone has been injured or killed. Because it is unacceptable to us for even one of our products to fail to perform as intended, we are doing everything in our power to address the safety concerns raised by airbag ruptures.

We thank you for your attention to these issues and very much appreciate your interest and your thoughtful suggestion. Takata’s senior management has given the idea of a compensation fund careful consideration, and we will continue to evaluate the possible benefits of such a mechanism in relation to the personal injury lawsuits involving airbag ruptures and the multi-district litigation (“MDL”) proceedings now pending in federal court in the Southern District of Florida.

As you may know, Takata has already resolved a number of claims involving airbag ruptures, and we intend to continue to discuss settlement of claims in appropriate cases going forward. At the present time, given the limited number of claims filed and the MDL procedures in place that permit the efficient coordination of related claims, Takata believes that a national compensation fund is not currently required.

We also note that in the case of GM, the compensation fund provided particular benefits for those whose claims were affected by GM’s 2009 bankruptcy reorganization.

In any event, we intend to give your suggestion further study, and we will let you know if our thinking on this subject changes. As we review our options, we would be happy to confer with you and your staff to ensure that we take full account of your views and considerations regarding public safety.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'KMK', with a stylized flourish extending to the right.

Kevin M. Kennedy

cc: The Honorable John Thune, Chairman, Committee on Commerce, Science, and Transportation

The Honorable Bill Nelson, Ranking Member, Committee on Commerce, Science, and Transportation All Members of the Subcommittee
