



U.S. Department  
of Transportation

National Highway  
Traffic Safety  
Administration

1200 New Jersey Avenue, SE  
Washington, DC 20590

AUG - 9 2016

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Mr. Robert Zimbrich  
Director, Inflator Products  
ARC Automotive, Inc.  
1729 Midpark Road  
Knoxville, Tennessee 37921

NEF-101sly  
EA16-003

Dear Mr. Zimbrich:

This letter is to inform you that the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) has upgraded PE15-027 to Engineering Analysis (EA) 16-003 to further investigate allegations of air bag inflator ruptures involving driver air bag inflators manufactured by ARC Automotive, Inc. (ARC). To assist us at this stage of the investigation, we are requesting certain information concerning all toroidal shaped frontal air bag inflators manufactured by ARC that were subsequently supplied to a Tier I or other air bag system manufacturer, for incorporation in their completed air bag modules. ODI is requesting this information for the inflators produced during the time frame from start of production (SOP) up to the date of this letter. This is an interim request and further requests will be made at a later date.

Unless otherwise stated in the text, the following definitions apply to this information request:

- **Subject component**: Hybrid toroidal shaped frontal air bag inflators manufactured by ARC that were subsequently supplied to a Tier I or other manufacturers of air bag modules to be installed in a passenger vehicle.
- **Licensing Agreement**: Any contract between ARC and another party granting said party permission to manufacture and/or sell air bag inflators utilizing ARC's design and technical information.
- **ARC**: ARC Automotive, Inc., all of its past and present officers and employees, whether assigned to its principal offices or any 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 its 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 subject component:

- 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, (i.e., complaints, field reports, warranty information, part sales), analysis claims or lawsuits; or
  - d. Communication to, from or intended for customer representatives, or other field locations, including but not limited to people who have the capacity to obtain information from customers.
- **Document:** “Document(s)” is used in the broadest sense of the word and shall mean all original written, printed, typed, recorded, or graphic matter whatsoever, however produced or reproduced, of every kind, nature, and description, and all non-identical copies of both sides thereof, including, but not limited to, papers, letters, memoranda, correspondence, communications, electronic mail (e-mail) messages (existing in hard copy and/or in electronic storage), faxes, mailgrams, telegrams, cables, telex messages, notes, annotations, working papers, drafts, minutes, records, audio and video recordings, data, databases, other information bases, summaries, charts, tables, graphics, other visual displays, photographs, statements, interviews, opinions, reports, newspaper articles, studies, analyses, evaluations, interpretations, contracts, agreements, jottings, agendas, bulletins, notices, announcements, instructions, blueprints, drawings, as-builts, changes, manuals, publications, work schedules, journals, statistical data, desk, portable and computer calendars, appointment books, diaries, travel reports, lists, tabulations, computer printouts, data processing program libraries, data processing inputs and outputs, microfilms, microfiches, statements for services, resolutions, financial statements, governmental records, business records, personnel records, work orders, pleadings, discovery in any form, affidavits, motions, responses to discovery, all transcripts, administrative filings and all mechanical, magnetic, photographic and electronic records or recordings of any kind, including any storage media associated with computers, including, but not limited to, information on hard drives, floppy disks, backup tapes, and zip drives, electronic communications, including but not limited to, the Internet and shall include any drafts or revisions pertaining to any of the foregoing, all other things similar to any of the foregoing, however denominated by ARC, any other data compilations from which information can be obtained, translated if necessary, into a usable form and any other documents. For purposes of this request, any document which contains any note, comment, addition, deletion, insertion, annotation, or otherwise comprises a non-identical copy of another document shall be treated as a separate document subject to production. In all cases where original and any non-identical copies are not available, “document(s)” also means any identical copies of the original and all non-identical copies thereof. Any document, record, graph, chart, film or photograph originally produced in color must be provided in color. Furnish all documents whether verified by ARC or not. **If a document is not in the English language, provide both the original document and an English translation of the document.**

- **Other Terms:** To the extent that they are used in these information requests, the terms “claim,” “consumer complaint,” “dealer field report,” “field report,” “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 conduct their evaluation, certain information is required. Pursuant to 49 U.S.C. § 30166, please provide numbered responses to the following information requests. Insofar as ARC has previously provided a document to ODI, ARC may produce it again or identify the document, the document submission to ODI in which it was included and the precise location in that submission where the document is located. When documents are produced, the documents shall be produced in an identified, organized manner that corresponds with the organization of this information request letter (including all individual requests and subparts). When documents are produced and the documents would not, standing alone, be self-explanatory, the production of documents shall be supplemented and accompanied by explanation.

Please repeat the applicable request verbatim above the response. After ARC’s response to the request, identify the source of the information and indicate the last date the information was gathered.

1. Identify all Tier I companies and/or air bag module manufacturers to whom ARC provided the subject component for the time period from the start of production (SOP) up to the date of this letter. Separately, for each Tier I or air bag manufacturer (i.e., customer), provide the following additional information in a tabular format:
  - a. Customer name (i.e. Key Safety Systems);
  - b. Customer contact information including the name(s) and title(s) of a person(s) familiar with the subject components, address, phone number(s), email address(es) and any other pertinent information;
  - c. Customer part number;
  - d. ARC part number;
  - e. Manufacturing location (including assembly line if pertinent);
  - f. Address the parts were shipped to;
  - g. Any information ARC possesses regarding the final stage user/OEM of the part number;
  - h. Any information ARC possesses regarding the market (US or foreign) the part was intended for; and,
  - i. Total number of parts provided (for the manufacturing location in item e) by year and month of manufacture.
2. Identify all companies ARC has ever entered into a licensing agreement with for the production and/or sale of the subject components. For each licensing agreement for the production and/or sale of air bag inflators entered into by ARC the following information is to be provided:

- a. The name of the company party to the agreement;
- b. Company contact information including the name(s) and title(s) of a person(s) familiar with the licensing agreement, address, phone number(s), email address(es) and any other pertinent information;
- c. The terms of the licensing agreement, including but not limited to:
  - i. Inflator types/design(s) covered under the agreement
  - ii. All permissions granted under the agreement;
  - iii. All restrictions imposed under the agreement;
  - iv. Any rights retained by ARC (i.e. monitoring, quality control)
  - v. Length of the agreement; and
  - vi. Any other information necessary to accurately and completely convey the parameters of the agreement.

### **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 \$21,000 per violation per day, with a maximum of \$105,000,000 for a related series of daily violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. *See* 49 CFR 578.6 (as amended by Fixing America's Surface Transportation Act (the "FAST Act"), Pub. L. 114-21, § 24110(a)(2), 129 Stat. 1312 (Dec. 4, 2015)). 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, ARC must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 CFR Part 512, as amended, to the Office of Chief Counsel (NCC-100), National Highway Traffic Safety Administration, Room W41-227, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. ARC is required to **submit two copies of the documents containing allegedly confidential information and/or one copy of the documents from which information claimed to be confidential has been deleted or blueprints**. 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 CFR 512.6. If you submit a request for confidentiality for all or part of your response to this IR, that is in an electronic format (e.g., CD-ROM), your request and associated submission must conform to the new requirements in NHTSA's Confidential Business Information Rule regarding submissions in electronic formats. *See* 49 CFR 512.6(c) (as amended by 72 Fed. Reg. 59434 (October 19, 2007)).

If you have any questions regarding submission of a request for confidential treatment, contact Otto Matheke, Senior Attorney, Office of Chief Counsel at [otto.matheke@dot.gov](mailto:otto.matheke@dot.gov) or (202) 366-5253.

### **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 8, 2016**. 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 Scott Yon at 202-366-0139 no later than five business days before the response due date. If ARC is unable to provide all of 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 ([sharon.yukevich@dot.gov](mailto:sharon.yukevich@dot.gov)) and to [ODI\\_IRresponse@dot.gov](mailto:ODI_IRresponse@dot.gov) when ARC send 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 contact Sharon Yukevich at (202) 366-4925.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott Yon', followed by the date '8/5/14' written in a similar cursive style.

Scott Yon  
Chief, Vehicle Integrity Division  
Office of Defects Investigation  
Enforcement