

**UNITED STATES DEPARTMENT OF TRANSPORTATION  
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION**  
1200 New Jersey Avenue, SE  
West Building, W41-326  
Washington, DC 20590

---

**In re:** )  
 )  
EA15-001 )  
(formerly PE14-016) )  
Air Bag Inflator Rupture )  
 )  
 )  
Docket No. NHTSA-2015-0055 )  
Coordinated Remedy Program )

---

**FIFTH AMENDMENT TO THE NOVEMBER 3, 2015  
COORDINATED REMEDY ORDER**

This Fifth Amendment to the November 3, 2015 Coordinated Remedy Order (the “Amendment”) is issued pursuant to the authority of the National Highway Traffic Safety Administration (“NHTSA,” an operating administration of the U.S. Department of Transportation), to resolve, mitigate, and control risks of harm, and to promote safety. This Amendment is being issued, pursuant to Paragraph 51 of the December 9, 2016 Third Amendment to the Coordinated Remedy Order, for the purpose of modifying the remedy schedules set forth therein, but only to the extent that those schedules involve the remedy programs for air bag inflators manufactured by TK Holdings Inc. (“Takata”) which are installed on certain motor vehicles manufactured by: Ford Motor Company (“Ford”); Mercedes-Benz USA, LLC (“MBUSA”); BMW of North America, LLC (“BMW”); and Mazda North American Operations (“Mazda”).

**I. FACTUAL BACKGROUND**

1. On November 3, 2015, after a public administrative proceeding, NHTSA issued a

unilateral Coordinated Remedy Order (the “CRO”) to Takata, Ford, BMW, Mazda, and nine other vehicle manufacturers then affected by the Takata air bag inflator recalls. The CRO established a program to manage the recalls, directed vehicle manufacturers to accelerate recall repairs, and prioritized vehicles for remedy to mitigate the risk of rupture. At that time, affected vehicles were divided into four Priority Groups (Priority Groups 1–4).<sup>1</sup>

2. The CRO was amended on December 9, 2016 (the “ACRO”). Among other things, the ACRO added MBUSA and six other vehicle manufacturers to the Coordinated Remedy Program. The ACRO also attached a prioritization schedule for all vehicles currently affected by the Takata recall, as well as those that will become affected by future expansions. That schedule expanded to a total of twelve Priority Groups.

3. The CRO and ACRO set forth deadlines by which each vehicle manufacturer shall ensure that it has a sufficient supply of remedy parts, and to launch the remedy campaign, for each Priority Group (the “Supply & Launch Deadline”). The Supply & Launch Deadline for Priority Groups 4, 5, and 6 were March 31, 2017, June 30, 2017, and September 30, 2017, respectively. ACRO ¶ 34.

4. On February 14, 2017, Ford and MBUSA separately requested extensions to the Supply & Launch Deadline for certain Priority Group 4 vehicles, per Exhibits A and B, respectively. On March 17, 2017, BMW also requested an extension to the Supply & Launch Deadline for certain Priority Group 4 vehicles. Exhibit C.

5. NHTSA reviewed these requests for extensions, and determined that it required additional information from Ford, MBUSA, and BMW before deciding whether to grant or deny

---

<sup>1</sup> Priority Groups 1–3 consisted of vehicles by discrete make, model, model year, and geographic location. Priority Group 4 encompassed any vehicle that had already received, or would receive, a like-for-like interim remedy inflator.

their respective requests. Accordingly, NHTSA issued orders tolling the Supply & Launch Deadline for Priority Group 4 vehicles covered under those vehicle manufacturers' extension requests, and ordered each manufacturer, separately, to provide supplemental extension requests including the following information: "Extension requests for all future-affected priority groups . . . A schedule and description of how [the manufacturer] plan[s] to phase the remedy launch for each affected priority group . . . An assessment of [the manufacturer's] capability to acquire a sufficient supply of interim remedy parts should the request be denied, in whole or in part . . . An assessment of any areas of inflator design and development that may be expedited without compromising the safety of the replacement inflators . . . The date on which [the manufacturer] anticipate[s] that supply of the replacement parts will catch up with demand and [the manufacturer] will be able to comply with the schedule in Paragraph 34 of the ACRO[] and . . . A statement as to whether [the manufacturer] propose[s] to provide any notification (including warnings against occupants in the passenger seat) or assistance (including loaner vehicles) to affected consumers should their Extension Request be granted, in whole or in part."

6. Ford and MBUSA submitted timely supplemental extension requests on April 5, 2017. Exhibits D & E. BMW submitted a timely supplemental extension request on April 13, 2017, and further supplemented this request on July 31, 2017. Exhibit F. BMW later withdrew its latter supplement on August 24, 2017. *Id.* Also on August 24, 2017, BMW requested further extensions for certain Priority Group 4 and 5 vehicles, and to propose new Supply & Launch Deadlines once it had sufficient information to determine a production plan. *Id.* BMW followed up with that request on September 8, 2017. *Id.*

7. In addition, on May 15, 2017, Mazda submitted a timely request to extend the Supply & Launch Deadline for certain Priority Group 5 vehicles. Exhibit G. Mazda also

submitted a timely request to extend the Supply & Launch Deadline for certain similar Priority Group 6 vehicles on August 15, 2017. *Id.*

**A. FORD’S SUPPLEMENTAL EXTENSION REQUEST**

8. Ford requests extensions to the Supply & Launch Deadlines for certain vehicles in Priority Groups 4–8. Exhibit D. Specifically, Ford proposes a phasing schedule based on zone<sup>2</sup>:

<b>Priority Group</b>	<b>ACRO Supply &amp; Launch Deadline</b>	<b>Ford Proposed Phased Launch for HAH/Zone A Vehicles</b>	<b>Ford Proposed Phased Launch for Zone B Vehicles</b>	<b>Ford Proposed Phased Launch for Zone C Vehicles</b>	<b>Affected Vehicles</b>
4	March 31, 2017	November 2017	December 2017	N/A <sup>3</sup>	591,006
5	June 30, 2017	December 2017	N/A	N/A	501,483
6	September 30, 2017	January 2018	February 2018	April 2018	807,371
7	December 31, 2017	February 2018	March 2018	May 2018	163,116
8	March 31, 2018	N/A	May 2018	June 2018	378,841
				<b>Total</b>	<b>2,441,817</b>

*Id.* at 2. In addition, based on subsequent conversations with NHTSA, Ford determined it required, and requested, an extension for MY04–06 Ford Ranger vehicles for the driver air bag (“DAB”) in California and South Carolina, and non-Zone A—all of which are in Priority Group

4. Exhibit D. Ford has encountered difficulty in “securing a production source for service kit

<sup>2</sup> Note that Ford accounts for, and plans to remedy, MY06–08 Lincoln Zephyr/MKZ (PAB, Zone C) vehicles in Priority Group 6 (instead of in Priority Group 8, where these vehicles are currently listed in Annex A of the ACRO). *See* Exhibit D (Attachment 1). NHTSA is interpreting this as a request to extend the Supply & Launch Deadline for those vehicles to April 2018 (applicable to Zone C vehicles in Priority Group 6) instead of June 2018 (applicable to Zone C vehicles in Priority Group 8).

<sup>3</sup> There are no Zone C vehicles in this Priority Group subject to Ford’s request. Similarly, there are no such vehicles in Priority Group 5 Zones B and C, or Priority Group 8 Zone A, and therefore corresponding dates in Ford’s table are not associated with any extension request from Ford (and are denoted as “N/A” here).

components, specifically, the intermediate wiring harness,” and requests to launch the remedy campaign for these vehicles under a phased schedule, with the last launch to occur in December 2017:

Priority Group	ACRO Supply & Launch Deadline	Zone	Phased Launch	Affected Vehicles
4	March 31, 2017	A (California and South Carolina only)	November 2017	129,654 <sup>4</sup>
4	March 31, 2017	Non-A	First half of December 2017 (for geographic Zone B)	231,481 <sup>5</sup>
			Second half of December 2017 (for geographic Zone C)	

*Id.*

9. In assessing its capability to acquire a sufficient supply of interim remedy parts, Ford states it “has requested quotes from Takata regarding supplying a limited supply of like-for-like PSPI replacement inflators and/or modules for those customers in the HAH/Zone A areas,” but that Takata has not yet provided a response. Exhibit D. However, Ford “is continuing to work with them to understand any availability and timing.” *Id.*

10. In evaluating potential areas of inflator design and development that may be expedited without compromising the safety of replacement inflators, Ford references background information provided in its February 14, 2017 extension request about the development and validation process, and timing, for replacement passenger air bag (“PAB”) inflators—observing that “the amount of engineering work and testing Ford requires to identify, validate, and procure

<sup>4</sup> This number includes Zone A vehicles outside of California and South Carolina (to which Ford’s request is limited). 22,775 of these affected vehicles have been repaired with interim like-for-like inflators. *Id.*

<sup>5</sup> 47,257 of these vehicles have been repaired with interim like-for-like inflators. *Id.*

inflators is heavily front-loaded and cannot be accelerated” to meet the timing under the ACRO. *Id.*; Exhibit A. In its supplemental submission, Ford further states it “is in the process of validating replacement air bag inflators for eight vehicle lines that were originally designed to meet the performance requirements prescribed in FMVSS 208,” and that while its product development team has reviewed its process “to identify any opportunities to further reduce the time required” to validate a final remedy, Ford has not found any such opportunities. Exhibit D.

11. Ford posits that—“[b]ased on validation timing, rate and flow projections, and estimated units in operation”—its supply of replacement parts will catch up with demand by the Priority Group 9 deadline (June 30, 2018). *Id.* Ford commits that it “will continue to look for opportunities to improve owner notification communications,” which includes identifying, and removing from the affected vehicle population, vehicles no longer in service so as to reduce supply necessary to launch its program phases, as well as “[m]onitoring the on-hand passenger air bag inflator replacement parts supply” and adjusting notification timings and volumes appropriately. *Id.* In addition, Ford states it is looking into purchasing additional final-remedy capacity, which will take about twelve months to construct. While noting this additional capacity will not accelerate initial launches, it “may reduce the time to produce sufficient inflator kits for the entire affected vehicle population.” *Id.*

12. Last, Ford proposes various notifications and assistance it would provide its customers if NHTSA grants its request. Specifically, Ford and Lincoln dealers may be able to provide loaner vehicles, and Ford will mail letters to remind owners of their recall, update owners on recall status, and “[s]hare methods to reduce risk,” including “[i]nform[ing] owners that front passenger seating locations offer a suppression system that does not deploy an air bag if the seat is empty . . . [s]uggest[ing] that customers consider not using the front passenger seat

until the repair is completed . . . [and] [r]emind[ing] owners who have questions or concerns that they can contact Ford’s Customer Relationship Center for assistance.” *Id.* at 3.

**B. MBUSA’S SUPPLEMENTAL EXTENSION REQUEST**

13. MBUSA requests extensions to the Supply & Launch Deadlines for certain vehicles in Priority Groups 4–10. Exhibit E. MBUSA proposes the following revised deadlines for those vehicles<sup>6</sup>:

Priority Group	ACRO Supply & Launch Deadline	Proposed Launch for Affected Vehicles in Priority Group <sup>7</sup>	Affected Vehicles
4 <sup>8</sup>	March 31, 2017	March 31, 2018	176,355
5	June 30, 2017	June 30, 2018	354,346
6	September 30, 2017	September 30, 2018	123,641
7	December 31, 2017	December 31, 2018	84,144

<sup>6</sup> MBUSA lists these vehicles in an attachment to its supplemental request. MBUSA has clarified to NHTSA that references in its request to vehicles in Zone “non-A” encompass, where applicable, both Zone B and Zone C vehicles.

<sup>7</sup> MBUSA identifies certain vehicles in Priority Groups 7–10 it plans to remedy in earlier Priority Groups. See Exhibit E, Attachment 1 at 6. Such vehicles are subject to MBUSA’s extension requests for *those earlier Priority Groups* in which it plans to remedy the vehicles. To illustrate: MBUSA requests an extension for MY12 GLK-Class (PAB, Zone A) vehicles, which are in Priority Group 7. However, MBUSA states it plans to remedy those vehicles in Priority Group 5. Therefore, these vehicles are subject to MBUSA’s extension request for Priority Group 5 (June 30, 2018) instead of MBUSA’s extension request for Priority Group 7 (December 31, 2018).

Note that as a result of this mechanic, in a handful of instances the requested extension dates are identical to, or even pre-date, the Supply & Launch Deadline that already applies under current Priority Groupings. For example, MY13 SLS-Class (PAB, Zone A) (Coupe and Roadster) vehicles are in Priority Group 9, which has a Supply & Launch Deadline of June 30, 2018. MBUSA requests an extension for those vehicles, but indicates it plans to remedy them in Priority Group 5; thus, MBUSA’s extension request for Priority Group 5 applies. However, MBUSA has requested an extension of June 30, 2018 for Priority Group 5—which is the same as the current Priority Group 9 Supply & Launch Deadline. In such instances, the currently applicable Supply & Launch Deadline remains in effect—NHTSA is not treating such instances as requests for extension.

<sup>8</sup> MBUSA specifically does not request an extension for certain Priority Group 4 already-launched or soon-to-be launched vehicles (“stage 1” vehicles; see Exhibit E). These include vehicles in five populations:

- MY05–07 C-Class (203 platform) (DAB, HAH) (pop. 37,890)
- MY07–08 SLK-Class (DAB, HAH) (pop. 3759)
- MY09 GL-Class (DAB, HAH) (pop. 3442)
- MY09 ML-Class (DAB, HAH) (pop. 5806)
- MY09 R-Class (DAB, HAH) (pop. 687)

8 <sup>9</sup>	March 31, 2018	June 30, 2018	26,107
9	June 30, 2018	March 31, 2019	153,478
10	March 31, 2019	September 30, 2019	279,230
		<b>Total</b>	<b>1,197,301</b>

*See id.*

14. In assessing its capability to acquire a sufficient supply of interim remedy parts, MBUSA states “there is no capacity to acquire a sufficient supply of interim remedy parts . . . without affecting the production of final remedy parts” because there is only one available production line for final and interim remedy driver air bags, and the passenger-air bag production line is used for different modules. *Id.* at 3. Additionally, because test parts must be manufactured for development processes, “interim remedy parts would cause significant delays in final remedy part production.” *Id.* MBUSA also states that “critical items from sub-suppliers used for interim remedy parts would not be available for any final remedy parts.” *Id.* Moreover, “start-up volume of interim remedy parts” would not be available before November 2017; interim remedy parts would thus be available only about four to six weeks before scheduled launches of final remedy modules. *Id.*

15. In evaluating potential areas of inflator design and development that may be expedited without compromising the safety of the replacement inflators, MBUSA asserts that it has taken several measures that have “significantly reduce[d] the development and approval time.” MBUSA further indicates the production of remedy modules will begin “as soon as design and module functionality have been approved.” *Id.* With its efforts, MBUSA has

---

<sup>9</sup> MBUSA is remediating Priority Group 8 vehicles in Priority Group 5, and therefore Priority Group 8 vehicles are subject to MBUSA’s extension request for Priority Group 5. *Id.* at 5.



expedited development for remedy modules. *Id.* at 5.

16. MBUSA posits that its supply of replacement parts will catch up with demand prior to the launch deadline for Priority Group 11 (March 31, 2020) “at the latest,” and that under its plan “all Takata recalls will be completed prior to the overall end date in the ACRO.” *Id.* at 5–6.

17. Last, MBUSA “proposes to provide Priority Group 4 customers affected by an extension with a supplemental notification reminding them of the potential dangers of a defective Takata inflator . . . and encouraging them to dialogue with the MBUSA Customer Assistance Center and/or Authorized Mercedes-Benz Dealers with any lingering concerns.” *Id.* at 6.

MBUSA also “proposes to include a reminder that remedy parts are currently not available, but that an additional notification will be sent once replacement air bags are available.” *Id.* MBUSA will direct customers to a MBUSA website where the customer can enter their contact information to assist MBUSA in obtaining up-to-date customer contact information. *Id.*

18. In addition, MBUSA “will continue to ship PSDI-5 field return parts . . . to Takata for testing,” and has voluntarily started to collect PSPI-2 inflators from a limited number of U.S. vehicles which are currently not under recall.” *Id.* at 1. The first batch of testing of MBUSA’s PSPI-2 inflators concluded April 3, 2017, the current results of which MBUSA claims “do not indicate any pattern of critical aging.” *Id.*

### **C. BMW’S SUPPLEMENTAL EXTENSION REQUEST**

19. BMW requests extensions to the Supply & Launch Deadlines for certain vehicles in Priority Groups 4 and 5.<sup>10</sup> Exhibit F. For those certain vehicles in Priority Group 4, BMW

---

<sup>10</sup> Specifically, BMW requests an extension for all its vehicles in Priority Groups 4 and 5 *except* for the following:

- Priority Group 4: MY07–09 X5 (DAB, Zone A); MY08–09 X6 (DAB, Zone A)
- Priority Group 5: MY10 X3 (DAB, Zone A); MY10–11 X5 (DAB, Zone A); MY07–09 X5 (DAB

proposes a staggered launch, by and within vehicle model, to align with expected parts availability:

<b>Priority Group 4 Model (Inflator) of Vehicle Encompassed by BMW's Request</b>	<b>ACRO Supply &amp; Launch Deadline</b>	<b>BMW Proposed Launch Start</b>	<b>BMW Proposed Launch End<sup>11</sup></b>	<b>Affected Vehicles</b>
X3 (DAB)	March 31, 2017	March 31, 2017	June 30, 2017 <sup>12</sup>	23,967
1 & 3 Series (DAB)	March 31, 2017	March 31, 2017	July 28, 2017 <sup>13</sup>	116,575
X5 & X6 (PAB)	March 31, 2017	July 21, 2017	September 29, 2017 <sup>14</sup>	40,409
<b>Priority Group 4 Total</b>				<b>180,951</b>

*Id.* BMW explains that staggered launches by and within vehicle models will “allow [it] to launch some vehicles earlier,” while “avoid[ing] the risk of a possible lapse before replacements become available.” *Id.*

20. For those certain vehicles in Priority Group 5 encompassed by its request, BMW similarly proposes a staggered launch, by and within vehicle model, to align with expected parts availability:

---

non-Zone A); MY10–11 X6 (DAB, Zone A); MY08–09 X6 (DAB, non-Zone A); MY10–11 X6 Hybrid (DAB, Zone A)

<sup>11</sup> This refers to the date on which there will be sufficient supply for all vehicles of a particular MMY; the “Launch Start” date refers to when BMW will begin to remedy part of the population of a particular MMY. See Exhibit F.

<sup>12</sup> BMW has confirmed these vehicles have since launched on or before this proposed date.

<sup>13</sup> BMW has confirmed these vehicles have since launched on or before this proposed date.

<sup>14</sup> Because of another production issue and to avoid a lapse in parts supply, BMW submitted a supplement to its extension request on September 8, 2017, which revised its previously requested extension date for these vehicles. BMW has confirmed these vehicles have since launched on or before this proposed date.

<b>Priority Group 5 Model (Inflator) of Vehicle Encompassed by BMW's Request</b>	<b>ACRO Supply &amp; Launch Deadline</b>	<b>BMW Proposed Launch Start</b>	<b>BMW Proposed Launch End</b>	<b>Affected Vehicles</b>
X3 (DAB)	June 30, 2017	June 30, 2017	July 31, 2017 <sup>15</sup>	30,171
1 & 3 Series / X1 (DAB)	June 30, 2017	August 11, 2017	September 15, 2017 <sup>16</sup>	199,772
X5 & X6 (PAB)	June 30, 2017	August 31, 2017	October 31, 2017 <sup>17</sup>	64,819
<b>Priority Group 5 Total</b>				<b>294,762</b>
<b>Total (Priority Groups 4 &amp; 5)</b>				<b>475,713</b>

Exhibit F.

21. In assessing its capability to acquire a sufficient supply of interim remedy parts should NHTSA deny its extension request, BMW states that “due to production constraints,” it cannot “acquire additional interim remedy parts without causing production delay of new replacement parts.” *Id.* BMW also states that parallel production of interim and new replacement parts is not possible. *Id.*

22. In evaluating potential areas of inflator design and development that may be expedited without compromising the safety of replacement inflators, BMW states it has not “found any opportunities for further accelerati[on] . . . without jeopardizing the replacement part and customer safety.” *Id.* However, BMW will continue to look for possible areas to expedite development. *Id.*

23. BMW anticipates the supply of replacement parts will ultimately catch up with

<sup>15</sup> BMW has confirmed these vehicles have since launched on or before this proposed date.

<sup>16</sup> BMW has confirmed these vehicles have since launched on or before this proposed date.

<sup>17</sup> Because of another production issue and to avoid a lapse in parts supply, BMW submitted a supplement to its extension request on September 8, 2017, which revised its previously requested extension date for these vehicles. BMW has confirmed these vehicles have since launched on or before this proposed date.

demand by October 31, 2017.<sup>18</sup> *Id.*

24. Last, BMW states it has notified owners of Priority Group 4 vehicles that parts are not available for immediate remedy, and has directed those owners to its website for updates as to parts availability. *Id.* BMW states its Customer Relations Department “will continue to assist affected customers with concerns about occupants in the passenger seat and their alternate transportation needs.” *Id.*

#### **D. MAZDA’S EXTENSION REQUEST**

25. Mazda requests an extension for MY07–09 B-Series (PAB, Zone A) vehicles, which are in Priority Group 5 (4,081 vehicles), and MY07–08 B-Series (PAB, non-A), which are in Priority Group 6 (957 vehicles). Exhibit G.

26. Ford was the lead engineering designer and manufacturer of the MY07–09 B-Series, which are equivalent to MY07–09 Ford Rangers, and the MY07–08 B-Series, which are equivalent to MY07–08 Ford Rangers. *Id.* Accordingly, “Mazda is wholly dependent on Ford” for, among other things, replacements for recalled Takata air bag inflators—and has followed Ford’s lead on remedy-part selection in that regard. *Id.* Ford informed Mazda it expects to obtain replacement parts for the affected Mazda vehicles by December 2017—which is consistent with Ford’s request for an extension for its Priority Group 5 MY07–09 Ford Ranger vehicles, and Priority Group 6 MY07–08 Ranger vehicles. *See Exhibits D & G.*

27. Mazda anticipates receiving from Ford a sufficient supply of remedy parts during December 2017, and requests an extension to launch the campaign for these vehicles “not to exceed January 31, 2018.” Exhibit G.

---

<sup>18</sup> This is the latest of BMW’s proposed Launch End Dates.

## II. BASIS FOR AMENDMENT

28. Paragraph 48 of the Coordinated Remedy Order permits NHTSA to unilaterally modify or amend the provisions of the order to, among other things, “account for and timely respond to newly obtained facts, scientific data, changed circumstances, and/or other relevant information that may become available . . .” Examples of such anticipated modifications and amendments include “allowing for reasonable extensions of time for the timelines contained in Paragraph[] 39.” CRO ¶ 48.

29. NHTSA issues this Amendment pursuant to Paragraph 48 of the November 3, 2015 Coordinated Remedy Order; and its authority under the Safety Act, 49 U.S.C. § 30101, *et seq.*, as delegated by the Secretary of Transportation, 49 C.F.R. § 1.95, to ensure that defective vehicles and equipment are recalled, 49 U.S.C. §§ 30118–30119, and to ensure the adequacy of recalls, 49 U.S.C. § 30120(c). It is hereby ORDERED by NHTSA as follows:

## III. TERMS AND CONDITIONS OF AMENDMENT

30. **Only as to the following Ford vehicles**, the schedule set forth in Paragraph 34 of the ACRO is amended as follows:

Priority Group	Model Year(s)	Make	Model, Inflator Position & (Zone)	Sufficient Supply & Remedy Launch Deadline
4	2005–2006	Ford	GT PAB (A)	November 30, 2017
	2005–2006	Ford	GT PAB (Non-A)	December 31, 2017
	2005–2011	Ford	Mustang PAB (A)	November 30, 2017
	2005–2008	Ford	Mustang PAB (Non-A)	December 31, 2017
	2004–2006	Ford	Ranger DAB (A) <sup>19</sup>	November 30, 2017
	2004–2006	Ford	Ranger DAB (Non-A)	December 31, 2017
5	2007–2009	Ford	Edge PAB (A)	December 31, 2017
	2006–2009	Ford	Fusion PAB (A)	December 31, 2017
	2007–2009	Ford	Ranger PAB (A)	December 31, 2017
	2007–2009	Lincoln	MKX PAB (A)	December 31, 2017
	2006–2009	Lincoln	Zephyr/MKZ PAB (A)	December 31, 2017
	2006–2009	Mercury	Milan PAB (A)	December 31, 2017

<sup>19</sup> California and South Carolina only.

6	2010	Ford	Edge PAB (A)	January 31, 2018
	2007–2008	Ford	Edge PAB (Non-A)	February 28, 2018
	2010–2011	Ford	Fusion PAB (A)	January 31, 2018
	2006–2008	Ford	Fusion PAB (Non-A)	February 28, 2018
	2010–2011	Ford	Ranger PAB (A)	January 31, 2018
	2007–2008	Ford	Ranger PAB (Non-A)	February 28, 2018
	2010	Lincoln	MKX PAB (A)	January 31, 2018
	2007–2008	Lincoln	MKX PAB (Non-A)	February 28, 2018
	2010–2011	Lincoln	Zephyr/MKZ PAB (A)	January 31, 2018
	2006–2008	Lincoln	Zephyr/MKZ PAB (Non-A)	February 28, 2018
	2010–2011	Mercury	Milan PAB (A)	January 31, 2018
	2006–2008	Mercury	Milan PAB (Non-A)	February 28, 2018
7	2012	Ford	Fusion PAB (A)	February 28, 2018
	2012	Ford	Mustang PAB (A)	February 28, 2018
	2012	Lincoln	Zephyr/MKZ PAB (A)	February 28, 2018
8	2009	Ford	Edge PAB (B)	May 31, 2018
	2007–2008	Ford	Edge PAB (C)	June 30, 2018
	2009	Ford	Fusion PAB (B)	May 31, 2018
	2006–2008	Ford	Fusion PAB (C)	June 30, 2018
	2005–2006	Ford	GT PAB (C)	June 30, 2018
	2009	Ford	Mustang PAB (B)	May 31, 2018
	2005–2008	Ford	Mustang PAB (C)	June 30, 2018
	2009	Ford	Ranger PAB (B)	May 31, 2018
	2007–2008	Ford	Ranger PAB (C)	June 30, 2018
	2009	Lincoln	MKX PAB (B)	May 31, 2018
	2007–2008	Lincoln	MKX PAB (C)	June 30, 2018
	2009	Lincoln	Zephyr/MKZ (PAB) (B)	May 31, 2018
	2006–2008	Lincoln	Zephyr/MKZ (PAB) (C)	April 30, 2018 <sup>20</sup>
	2009	Mercury	Milan PAB (B)	May 31, 2018
	2006–2008	Mercury	Milan PAB (C)	June 30, 2018

31. Ford shall use its best efforts to obtain sufficient supply and launch the remedy campaign prior to the extended deadlines in Paragraph 30 of this Amendment.

32. The deadlines for Ford that involve Takata air bag inflators other than those to which the deadlines in Paragraph 30 apply remain unchanged. The remedy programs for all other recalls remain subject to the sufficient supply deadlines set forth in Paragraph 39 of the Coordinated Remedy Order and/or Paragraph 34 of the Third Amendment to the Coordinated

<sup>20</sup> Ford has indicated it intends to repair these vehicles in Priority Group 6. See Exhibit D (Attachment 1).

Remedy Order, and any amendments thereto.

33. **Only as to the following Mercedes-Benz vehicles**, and not with respect to Priority Group 4 already-launched or soon-to-be launched vehicles (“stage 1” vehicles, *see* Exhibit E), the schedule set forth in Paragraph 34 of the ACRO is amended as follows:

<b>Priority Group</b>	<b>Model Year(s)</b>	<b>Make</b>	<b>Model, Inflater Position &amp; (Zone)</b>	<b>Sufficient Supply &amp; Remedy Launch Deadline</b>
4	2005–2009	Mercedes-Benz	C-Class DAB (A) (203 platform (MY05–07) and 204 platform (MY08–09) vehicles)	March 31, 2018
	2008–2009	Mercedes-Benz	C-Class PAB (A) (204 platform vehicles)	March 31, 2018
	2009	Mercedes-Benz	GL-Class DAB (A)	March 31, 2018
	2009	Mercedes-Benz	ML-Class DAB (A)	March 31, 2018
	2009	Mercedes-Benz	R-Class DAB (A)	March 31, 2018
	2007–2008	Mercedes-Benz	SLK-Class DAB (A)	March 31, 2018
5	2010–2011	Mercedes-Benz	C-Class DAB (A) (204 platform vehicles)	June 30, 2018
	2005–2009	Mercedes-Benz	C-Class DAB (Non-A) (203 platform (MY05–07), 204 platform (MY08–09) vehicles)	June 30, 2018
	2010–2011	Mercedes-Benz	C-Class PAB (A) (204 platform vehicles)	June 30, 2018
	2008	Mercedes-Benz	C-Class PAB (Non-A) (204 platform vehicles)	June 30, 2018
	2011	Mercedes-Benz	E-Class Cabrio DAB (A)	June 30, 2018
	2011	Mercedes-Benz	E-Class Cabrio PAB (A)	June 30, 2018
	2010–2011	Mercedes-Benz	E-Class Coupe DAB (A)	June 30, 2018
	2010–2011	Mercedes-Benz	E-Class Coupe PAB (A)	June 30, 2018
	2010–2011	Mercedes-Benz	E-Class DAB (A)	June 30, 2018
	2010–2012	Mercedes-Benz	GL-Class DAB (A)	June 30, 2018
	2009	Mercedes-Benz	GL-Class DAB (Non-A)	June 30, 2018
	2010–2012	Mercedes-Benz	GLK-Class DAB (A)	June 30, 2018
	2010–2011	Mercedes-Benz	GLK-Class PAB (A)	June 30, 2018
	2010–2011	Mercedes-Benz	ML-Class DAB (A)	June 30, 2018

	2009	Mercedes-Benz	ML-Class DAB (Non-A)	June 30, 2018
	2010–2012	Mercedes-Benz	R-Class DAB (A)	June 30, 2018
	2009	Mercedes-Benz	R-Class DAB (Non-A)	June 30, 2018
	2007–2008	Mercedes-Benz	SLK-Class DAB (Non-A)	June 30, 2018
	2011–2014	Mercedes-Benz	SLS-Class DAB (A) (Coupe (MY11–14) and Roadster (MY12–14) vehicles)	June 30, 2018
	2011	Mercedes-Benz	SLS-Class DAB (Non-A) (Coupe vehicles)	June 30, 2018
	2011	Mercedes-Benz	SLS-Class PAB (A) (Coupe vehicles)	June 30, 2018
6	2010–2011	Mercedes-Benz	C-Class DAB (Non-A) (204 platform vehicles)	September 30, 2018
	2011	Mercedes-Benz	E-Class Cabrio DAB (Non-A)	September 30, 2018
	2010–2011	Mercedes-Benz	E-Class Coupe DAB (Non-A)	September 30, 2018
	2010–2011	Mercedes-Benz	E-Class DAB (Non-A)	September 30, 2018
	2010–2012	Mercedes-Benz	GL-Class DAB (Non-A)	September 30, 2018
	2010–2012	Mercedes-Benz	GLK-Class DAB (Non-A)	September 30, 2018
	2010–2011	Mercedes-Benz	ML-Class DAB (Non-A)	September 30, 2018
	2010–2012	Mercedes-Benz	R-Class DAB (Non-A)	September 30, 2018
	2012–2014	Mercedes-Benz	SLS-Class DAB (Non-A) (Coupe and Roadster vehicles)	September 30, 2018
7	2012	Mercedes-Benz	C-Class PAB (A) (204 platform vehicles)	December 31, 2018
	2012	Mercedes-Benz	E-Class Cabrio PAB (A)	December 31, 2018
	2012	Mercedes-Benz	E-Class Coupe PAB (A)	December 31, 2018
	2012	Mercedes-Benz	GLK-Class PAB (A)	June 30, 2018
	2012	Mercedes-Benz	SLS-Class PAB (A) (Coupe and Roadster vehicles)	June 30, 2018
8	2008	Mercedes-Benz	C-Class PAB (C) (204 platform vehicles)	June 30, 2018
9	2013	Mercedes-Benz	C-Class PAB (A) (204 platform vehicles)	March 31, 2019
	2013	Mercedes-Benz	E-Class Cabrio PAB	March 31, 2019



			(A)	
	2013	Mercedes-Benz	E-Class Coupe PAB (A)	March 31, 2019
	2010	Mercedes-Benz	E-Class Coupe PAB (B)	September 30, 2018
	2013	Mercedes-Benz	GLK-Class PAB (A)	March 31, 2019
	2010	Mercedes-Benz	GLK-Class PAB (B)	September 30, 2018
10	2014–2015 <sup>21</sup>	Mercedes-Benz	C-Class PAB (A) (204 platform vehicles)	September 30, 2019
	2011–2015	Mercedes-Benz	C-Class PAB (B) (204 platform vehicles)	September 30, 2019 <sup>22</sup>
	2010–2015	Mercedes-Benz	C-Class PAB (C) (204 platform vehicles)	September 30, 2019 <sup>23</sup>
	2014–2017	Mercedes-Benz	E-Class Cabrio PAB (A)	September 30, 2019
	2011–2017	Mercedes-Benz	E-Class Cabrio PAB (B)	September 30, 2019 <sup>24</sup>
	2011–2017	Mercedes-Benz	E-Class Cabrio PAB (C)	September 30, 2019 <sup>25</sup>
	2014–2017	Mercedes-Benz	E-Class Coupe PAB (A)	September 30, 2019
	2011–2017	Mercedes-Benz	E-Class Coupe PAB (B)	September 30, 2019 <sup>26</sup>
	2010–2017	Mercedes-Benz	E-Class Coupe PAB (C)	September 30, 2019 <sup>27</sup>
	2014–2015	Mercedes-Benz	GLK-Class PAB (A)	September 30, 2019
	2011–2015	Mercedes-Benz	GLK-Class PAB (B)	September 30, 2019 <sup>28</sup>
	2010–2015	Mercedes-Benz	GLK-Class PAB (C)	September 30, 2019 <sup>29</sup>

34. MBUSA shall use its best efforts to obtain sufficient supply and launch the remedy campaign prior to the extended deadlines in Paragraph 33 of this Amendment.

35. The deadlines for MBUSA that involve Takata air bag inflators other than those

<sup>21</sup> While not included in Annex A of the ACRO, it has come to NHTSA's attention that the to-be recalled population of MBUSA vehicles will also include MY2015 C-Class (204 platform) vehicles for the passenger-side air bag, for which MBUSA has requested an extension here.

<sup>22</sup> Does not apply to MY11 vehicles.

<sup>23</sup> Does not apply to MY10–11 vehicles.

<sup>24</sup> Does not apply to MY11 vehicles.

<sup>25</sup> Does not apply to MY11 vehicles.

<sup>26</sup> Does not apply to MY11 vehicles.

<sup>27</sup> Does not apply to MY10–11 vehicles.

<sup>28</sup> Does not apply to MY11–12 vehicles.

<sup>29</sup> Does not apply to MY10–12 vehicles.

to which the deadlines in Paragraph 33 apply remain unchanged. The remedy programs for all other recalls remain subject to the sufficient supply deadlines set forth in Paragraph 39 of the Coordinated Remedy Order and/or Paragraph 34 of the Third Amendment to the Coordinated Remedy Order, and any amendments thereto.

36. Only as to the following BMW vehicles, the schedule set forth in Paragraph 34 of the ACRO is amended as follows:

Priority Group	Model Year(s)	Make	Model, Inflator Position & (Zone)	Sufficient Supply & Remedy Launch Deadline
4	2008–2009	BMW	1 Series DAB (A)	July 28, 2017
	2006–2009	BMW	3 Series DAB (A)	July 28, 2017
	2007–2009	BMW	X3 DAB (A)	June 30, 2017
	2007–2009	BMW	X5 PAB (A)	September 29, 2017
	2008–2009	BMW	X6 PAB (A)	September 29, 2017
5	2010–2013	BMW	1 Series DAB (A)	September 15, 2017
	2008–2009	BMW	1 Series DAB (Non-A)	September 15, 2017
	2010–2013	BMW	3 Series DAB (A)	September 15, 2017
	2006–2009	BMW	3 Series DAB (Non-A)	September 15, 2017
	2013–2015	BMW	X1 DAB (A)	September 15, 2017
	2007–2009	BMW	X3 DAB (Non-A)	July 31, 2017
	2010–2011	BMW	X5 PAB (A)	October 31, 2017
	2007–2008	BMW	X5 PAB (Non-A)	October 31, 2017
	2010–2011	BMW	X6 Hybrid PAB (A)	October 31, 2017
	2010–2011	BMW	X6 PAB (A)	October 31, 2017
	2008	BMW	X6 PAB (Non-A)	October 31, 2017

37. BMW shall use its best efforts to obtain sufficient supply and launch the remedy campaign prior to the extended deadlines in Paragraph 36 of this Amendment.

38. The deadlines for BMW that involve Takata air bag inflators other than those to which the deadlines in Paragraph 36 apply remain unchanged. The remedy programs for all other recalls remain subject to the sufficient supply deadlines set forth in Paragraph 39 of the Coordinated Remedy Order and/or Paragraph 34 of the Third Amendment to the Coordinated Remedy Order, and any amendments thereto.

39. Only as to the following Mazda vehicles, the schedule set forth in Paragraph 34

of the ACRO is amended as follows<sup>30</sup>:

<b>Priority Group</b>	<b>Model Year(s)</b>	<b>Make</b>	<b>Model, Inflator Position &amp; (Zone)</b>	<b>Sufficient Supply &amp; Remedy Launch Deadline</b>
5	2007–2009	Mazda	B-Series PAB (A)	January 31, 2018
6	2007–2008	Mazda	B-Series PAB (Non-A)	January 31, 2018

40. Mazda shall use its best efforts to obtain sufficient supply and launch the remedy campaign prior to the extended deadlines in Paragraph 39 of this Amendment.

41. The deadlines for Mazda that involve Takata air bag inflators other than those to which the deadlines in Paragraph 39 above apply remain unchanged. The remedy programs for all other recalls remain subject to the sufficient supply deadlines set forth in Paragraph 39 of the Coordinated Remedy Order and/or Paragraph 34 of the Third Amendment to the Coordinated Remedy Order, and any amendments thereto.

42. **For remedy campaigns affected under this Amendment that launch more than 90 days after the Sufficient Supply & Remedy Launch Deadline set forth in Paragraph 34 of the ACRO** (*i.e.*, the Deadlines that previously applied to those campaigns), the schedule set forth in Paragraph 35 of the ACRO is amended as follows:

<b>End of Quarter (after remedy launches)</b>	<b>Percentage of campaign vehicles remedied</b>
1st	15%
2nd	40%
3rd	60%
4th	70%
5th	80%

<sup>30</sup> NHTSA acknowledges the deadline for Priority Group 5 B-Series vehicles is one month longer than that for Ford's equivalent MY07–09 Ranger (PAB, Zone A) vehicles in Priority Group 5. NHTSA issues this deadline to Mazda in recognition of, and with the understanding that, coordination with Ford in obtaining remedy parts will require Mazda additional time to launch this campaign.

6th	85%
7th	90%
8th	95%
9th	100%

43. **Ford and MBUSA shall**, for future applicable Priority Groups on the Supply & Launch Deadlines listed in Paragraph 34 of the ACRO, issue separate notifications (“Extension Notifications”), via first-class mail, to the owners of their respective vehicles affected under this Amendment. These Extension Notifications shall inform owners of the delay in the availability of remedy parts, as well as the date on which remedy parts are expected to be available. Further, these Extension Notifications shall include specific warnings and list ways in which owners may obtain additional information and other forms of customer assistance. Ford and MBUSA shall submit these Extension Notifications via email to NHTSA’s Office of Chief Counsel and the Chief of NHTSA’s Recall Management Division for review no later than 5 business days prior to the Sufficient Supply & Remedy Launch Deadlines stated in Paragraph 34 of the ACRO.

44. **Ford, MBUSA, BMW, and Mazda shall**, with respect to Priority Group 4, 5, and 6 vehicles for which a recall campaign has not yet launched, submit Extension Notifications to NHTSA for review no later than 10 business days after the date of this Amendment, and issue those Extension Notifications to vehicle owners no later than 45 calendar days after the date of this Amendment.

45. This Amendment is based on currently available information. NHTSA may, after consultation with an affected manufacturer, and/or Takata, or upon a recommendation of the Monitor, modify or amend the provisions of this Amendment to, among other things: account for and timely respond to newly obtained facts, data, changed circumstances, and/or other

information that may become available throughout periods affected by this Amendment. Such modifications may include, but are not limited to, accelerating the Sufficient Supply & Remedy Launch Deadlines in Paragraphs 30, 33, 36, and 39 above, and requiring vehicles affected by this Amendment be repaired with like-for-like inflators.

46. All other provisions of the November 3, 2015 Coordinated Remedy Order and prior amendments thereto remain in full effect and are applicable to this Amendment.

IT IS SO ORDERED:

Dated: November 9, 2017

By: // ORIGINAL SIGNED BY //  
Heidi King  
Deputy Administrator

# Exhibit A



**Wayne E. Bahr, Global Director**  
Automotive Safety Office  
Sustainability, Environment & Safety Engineering

**Fairlane Plaza South, Suite 400**  
330 Town Center Drive  
Dearborn, MI 48126-2738

February 14, 2017

Ms Elizabeth Mykytiuk  
Sr. Trial Attorney  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, S.E.  
Room W41-227  
Washington, DC 20590

Dear Ms. Mykytiuk:

Subject: Ford Motor Company Notice of Anticipated Shortage and Request for Extension

Pursuant to Paragraph 39 of the Agency's Third Amendment to the Coordinated Remedy Order (ACRO) dated December 9, 2016, Ford Motor Company (Ford) respectfully requests an extension to the Supply & Launch Deadline for the following Priority Group 4 vehicles as specified in Amended Annex A:

Model Years	Make	Model	Inflator	Zone
2005-6	Ford	GT	PAB	A
2005-6	Ford	GT	PAB	Non-A
2005-11	Ford	Mustang	PAB	A
2005-8	Ford	Mustang	PAB	Non-A

(i) Explanation

Ford believes it will not be able to meet the sufficient supply deadline of March 31, 2017, recently set forth in the December 9, 2016 ACRO because Ford is still engaged in the complex process of designing, developing, and validating non-ammonium nitrate based replacement inflator kits from alternative suppliers for these vehicles. Airbag inflators are not a one-size-fits-all component and their development requires extensive engineering effort.

Ford's approach to the recall remedies is to develop replacement inflators that are non-phase stabilized ammonium nitrate (PSAN) based, while providing "like for like" inflators to the highest risk vehicles as an interim repair only. We are aware that other OEMs may have taken a different approach and utilized "revised" non-desiccated PSAN based inflators or desiccated PSAN based inflators for their remedies and those remedy parts may be available in a shorter timeframe than non-PSAN based inflators.

We believe the Agency agrees with Ford that inflators utilized for recall remedies must provide acceptable performance in the multitude of crash scenarios evaluated for the

original equipment. Ford has been focused on the most expeditious solutions (existing inflator designs that require minimal design changes; inflators where suppliers have readily available capacity or the shortest time to make capacity available) for inflators that could be validated to perform as expected. Ford has worked and continues to work diligently to introduce recall remedy parts as expeditiously as possible with all potential sources of inflator supply globally.

For vehicles in Priority Group 4 and higher, the lengthy engineering and validation work going on now will apply to those vehicles. Once final remedy inflators are available for Priority Group 4 vehicles, future vehicles added to programs will utilize these parts without the selection, validation, and procurement process required. Ford believes that this is the best approach for our customers and is most efficient for the recalls planned to be announced over the next several years.

On May 4, 2016, the Agency amended the November 2, 2015 Consent Order with TK Holdings, indicating that a determination had been made that all non-desiccated PSAN based inflators would need to be replaced during their service life. This decision came unexpectedly to the industry, and eliminated the December 31, 2018 timing previously provided for determining whether all non-desiccated PSAN inflators needed to be recalled. This accelerated decision removed over two years from the time available for OEMs to evaluate inflators and develop recall remedy parts and caused a very large demand across the industry for new inflators that have a finite global capacity.

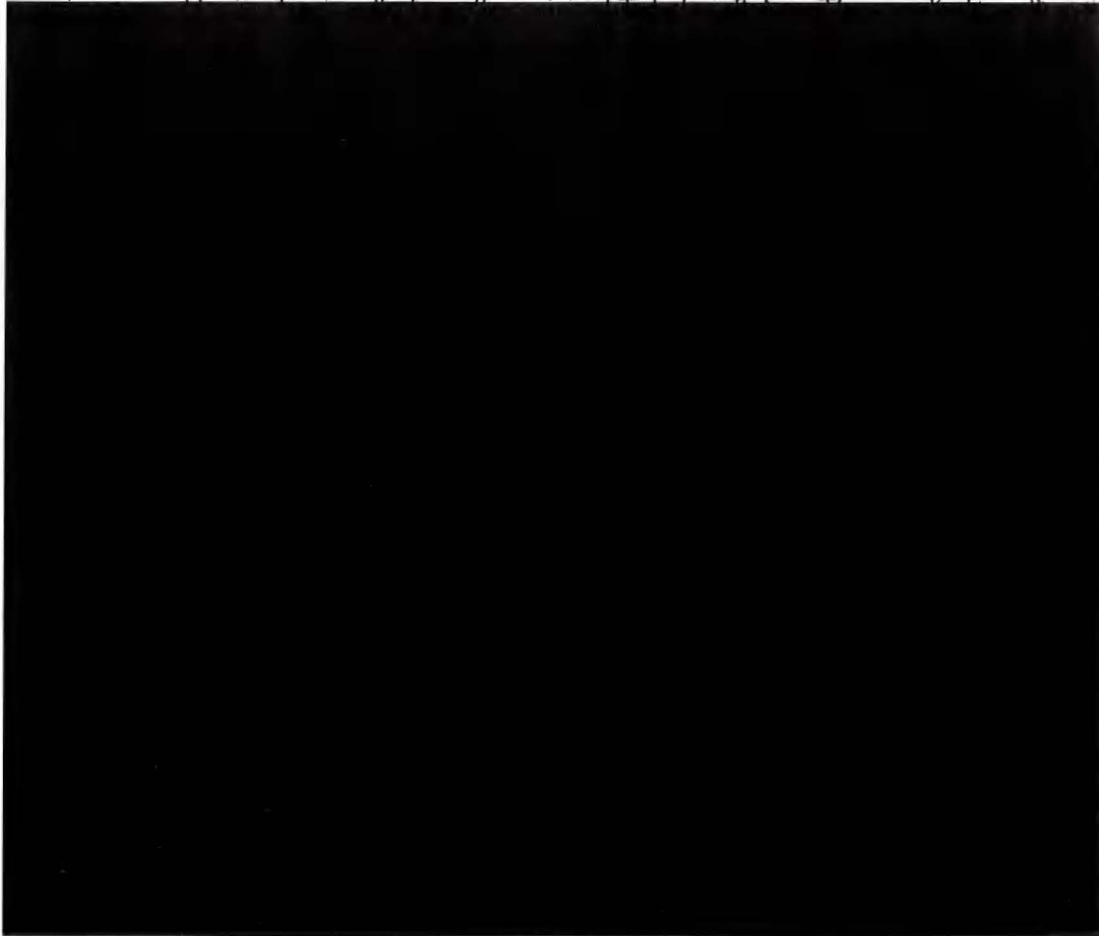
Under the Agency's December 9, 2016 ACRO, vehicles that became part of a recall as a result of the May 4, 2016 amendment were now assigned "accelerated timing" to have recalls launched and completed. However, the amount of engineering work and testing Ford requires to identify, validate, and procure inflators is heavily front-loaded and cannot be accelerated to meet this unexpected timing.

(ii) **Remedy Part Selection, Validation, and Development Process**

With the unprecedented urgency to provide service airbag inflators, Ford created a dedicated team of product development engineers, service engineers, purchasing, and part supply and logistics staff to identify opportunities to reduce the time to bring service parts to market. Under normal circumstances, manufacturers require several years to design, develop, and validate original equipment airbag modules. In contrast, to develop replacement Takata airbag inflator replacement parts, Ford and the rest of the affected vehicle manufacturers are developing innovative methods to drastically reduce the time to provide service parts. A high-level narrative of Ford's development and validation process is provided below:







(iii) Sufficient Remedy Part Supply Sourcing

Ford has made a substantial effort to inquire to its global supply base including those airbag inflator suppliers for which we currently do not have a production relationship. Product development has reviewed numerous alternative inflators to identify candidates for further analysis. Ford is going to such lengths as to secure production capacity in advance of having a final part developed from [REDACTED]. In order to meet production capacity requirements for the dual stage passenger airbag inflator, Ford has purchased an entirely new inflator production line and is investigating building additional capacity.

(iv) Replacement Part Quantities

Ford is providing the number of affected vehicles, as reported in the January 20, 2017 Monitor Dashboard, and the number of replacement parts it reasonably believes will be available by the "Supply & Launch Deadline" for Priority Group 4 vehicles in the following table:

Ms. Elizabeth Mykytiuk

- 4 -

February 14, 2017

Model Years	Make	Model	Inflator	Zone	Vehicles Affected	Parts Available as of 3/31/17
2005-6	Ford	GT <sup>(1)</sup>	PAB	A	1,959	0 (0%)
2005-6	Ford	GT <sup>(2)</sup>	PAB	Non-A	875	0 (0%)
2005-11	Ford	Mustang <sup>(1)</sup>	PAB	A	399,596	0 (0%)
2005-8	Ford	Mustang <sup>(2)</sup>	PAB	Non-A	188,536	0 (0%)

(1) - Vehicle line and affected model years were submitted in Recall 16S26 / 16V-384.

(2) - Vehicle line and affected model years were submitted in Recall 16S26 / 16V-384 Zone B only. No Zone C vehicles were included in Ford's Part 573 submission.

## (v) Extension Request Date

Ford traditionally launches field service actions when a sufficient quantity of service parts has been delivered and distribution to regional parts depots to support dealer orders. This process ensures that enough parts are available to support customer demand and not have parts on backorder. Ford is still in the process of engineering, validating, and producing service kits for the vehicles in Priority Group 4 and the dates reflect timing estimates to reach sufficient part quantities to launch a national safety program.

Model Years	Make	Model	Inflator	Zone	Current Estimated Service Part Production Start <sup>(1)</sup>	Extension Request Date
2005-6	Ford	GT	PAB	A	██████████	February 2018
2005-6	Ford	GT	PAB	Non-A	██████████	February 2018
2005-11	Ford	Mustang	PAB	A	██████████	February 2018
2005-8	Ford	Mustang	PAB	Non-A	██████████	February 2018

(1) Estimated timing is based on the current development timing and does not account for test anomalies or manufacturing issues.

Ford will continue to identify additional methods to improve the recall launch timing including phased owner mailing, revising the percent of service parts that are required to launch a program, and building additional production capacity to improve the flow of service kits.

If you have any questions concerning this response, please feel free to contact me.

Sincerely,



Wayne E. Bahr  
Attachement

Declaration of Todd M. Fronckowiak

I, Todd M. Fronckowiak, state as follows:

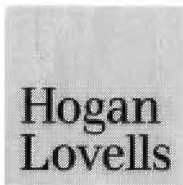
1. I am over the age of 18, and have personal knowledge of the following matters set forth in this Declaration unless otherwise stated.
2. I am currently employed by Ford Motor Company as its Assistant Director, Global Automotive Safety Compliance, Automotive Safety Office.
3. I submit this Declaration in support of Ford's Notice of Anticipated Shortage and Request for Extension dated February 14, 2017.
4. Ford is in the process of developing and validating replacement service inflators using non-ammonium nitrate based propellant.
5. Ford has secured production capacity to produce replacement service inflators for Priority Group 4.
6. Ford will not be able to meet the sufficient supply deadline of March 31, 2017, for Priority Group 4 due to the development and validation process required.
7. I make no representations beyond those contained in this Declaration and, in particular, I make no representations as to whether this information may change in the future.

I state under penalty of perjury that the foregoing is true and correct.

Executed this 14th day of February, 2017.

  
Todd M. Fronckowiak

# Exhibit B



Hogan Lovells US LLP  
Columbia Square  
555 Thirteenth Street, NW  
Washington, DC 20004  
T +1 202 637 5600  
F +1 202 637 5910  
www.hoganlovells.com

February 14, 2017

**CONFIDENTIAL INFORMATION REDACTED**

Mr. Stephen P. Wood  
Acting Chief Counsel  
National Highway Traffic Safety Administration  
(NCC-111), Room W41-227  
1200 New Jersey Avenue, SE  
West Building  
Washington, DC 20590

**RE: Docket No. NHTSA-2015-0055 – Mercedes Benz USA Request for Extension of Takata Coordinated Remedy Program Sufficient Supply and Remedy Launch Deadline**

Dear Mr. Wood:

On behalf of our clients, Daimler AG (“DAG”) and Mercedes Benz USA, LLC (hereinafter “MBUSA”), this letter requests an extension of time in which to comply with the sufficient supply and remedy launch deadline for Priority Group 4 set forth in Paragraph 34 of the Third Amendment to the Takata Coordinated Remedy Order (“CRO”).

[

] Although DAG has expedited its development process, MBUSA will not be able to meet the current Priority Group 4 remedy launch deadline of March 31, 2017 due to the [ ] inflator development and production schedule provided to DAG, as the company develops a [ ] solution that will continue the safe and effective operation of airbag inflators in Mercedes-Benz passenger vehicles, consistent with the CRO and applicable Federal Motor Vehicle Safety Standards.

Under the Third Amendment to the CRO, this Priority Group 4 includes approximately 204,481 vehicles in Mercedes-Benz passenger vehicles comprised of the following models:<sup>1</sup>

---

<sup>1</sup> All vehicle population data is approximate and subject to change.

Sales Designation	Platform	Model Years	[ ]	[ ]	[ ]	Total Zone A
C-Class	203	2005-2007	[ ]	[ ]	[ ]	[ ]
SLK-Class	171	2007-2008	[ ]	[ ]	[ ]	[ ]
ML-Class	164	2009	[ ]	[ ]	[ ]	[ ]
GL-Class	X164	2009	[ ]	[ ]	[ ]	[ ]
R-Class	251	2009	[ ]	[ ]	[ ]	[ ]
Total				[ ]	[ ]	105611

Sales Designation	Platform	Model Years	[ ]	[ ]	Total Zone A
C-Class	204	2008-2009	[ ]	[ ]	[ ]
C-Class	204	2008-2009	[ ]	[ ]	[ ]
Total					197740

MBUSA initially presented its proposed response to the Takata recall to NHTSA in a meeting on June 22, 2016. Based on that approach, the first Takata recall wave for Mercedes-Benz passenger cars included in Priority Group 4 was initiated on October 12, 2016, replacing PSDI-5 non-desiccated inflators with PSDI-5d desiccated inflators on 41,651 vehicles (C-Class 203, SLK-Class 171) in HAH states. Further, the recall of an additional 9,939 vehicles of Priority Group 4 (ML-Class 164, GL-Class X164, R-Class 251) will be launched in March 2017, as part of the first Takata recall wave for Mercedes-Benz passenger cars in HAH states. PSDI-5d desiccated inflators will also be used to replace PSDI-5 non-desiccated inflators in these vehicles.

The principal objectives in this first wave are:

- a) To replace non-desiccated inflators of the earliest MY vehicles in HAH states as quickly as possible; and
- b) To acquire sufficient parts from HAH states for testing, including field return parts from both Takata manufacturing plants (Freiberg, Germany and Monclova, Mexico) that supplied Mercedes-Benz vehicles.

For the second Takata recall wave, covering all remaining Priority Group 4 vehicles as outlined above, MBUSA has coordinated with the supplier to develop a reasonable plan to identify replacement parts, develop and validate these parts, and have a production process in place.

[

]

[

] MBUSA does not anticipate an adequate supply of these inflators by March 31, 2017.

Accordingly, MBUSA respectfully requests an extension of time in which to comply with the March 31, 2017 deadline specified for the following models and model years of Priority Group 4 (in total 152,891 vehicles) of the Third Amendment to the CRO:

Sales Designation	Platform	Model Years	[ ]	[ ]	[ ]	Total Zone A
C-Class	203	2005-2007	[ ]	[ ]	[ ]	[ ]
SLK-Class	171	2007-2008	[ ]	[ ]	[ ]	[ ]
ML-Class	164	2009	[ ]	[ ]	[ ]	[ ]
GL-Class	X164	2009	[ ]	[ ]	[ ]	[ ]
R-Class	251	2009	[ ]	[ ]	[ ]	[ ]
			[ ]	[ ]	[ ]	54021

Sales Designation	Platform	Model Years	[ ]	[ ]	Total Zone A
C-Class	204	2008-2009	[ ]	[ ]	[ ]
C-Class	204	2008-2009	[ ]	[ ]	[ ]
Total					197740

MBUSA proposes that its deadline for acquiring a sufficient supply of [ ] inflators be extended to March 31, 2018 for the models and model years mentioned above. This additional time will allow MBUSA to complete the [ ] development process, and confirm that these inflators will meet all applicable safety standards and that an adequate supply will be available.

Thank you for your consideration of this request. Please let us know if you need any additional information.

Sincerely,



R. Latane Montague

Attachment: Certificate in Support of Notice of Anticipated Shortage and Request for Extension

Cc: Elizabeth Mykytiuk, Esq.  
R. Thomas Brunner

# Exhibit C



# BMW Group

March 17, 2017

BY EMAIL

Mr. Stephen Wood, Esq.  
Acting Chief Counsel  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

**Re: Extension Request per Clause 39 of the Third Amendment to the Coordinated Remedy Order**

Dear Mr. Wood:

BMW of North America, LLC ("BMW NA") on behalf of Bayerische Motoren Werke AG ("BMW AG") Munich, Germany, is hereby making a Launch Date Extension Request for all of the models in Priority Group 4 listed below, until September 29, 2017:

MY	Model
2008 - 2009	1 Series DAB (A)
2006 - 2009	3 Series DAB (A)
2007 - 2009	X3 DAB (A)
2007 - 2009	X5 PAB (A)
2008 - 2009	X6 PAB (A)

The MY 2007 - 2009 X5 DAB (A) and MY 2008 - 2009 X6 DAB (A) are excluded from this request because BMW NA has sufficient parts for a timely launch of those models.

**Company**  
BMW of North America, LLC

BMW Group Company

**Mailing address**  
PO Box 1227  
Westwood, NJ  
07675-1227

**Office address**  
200 Chestnut Ridge Rd.  
Building 150  
Woodcliff Lake, NJ 07677

**Telephone**  
(201) 307-4000

**Fax**  
(201) 571-5479

**Website**  
bmwusa.com

As you may recall, BMW NA informed NHTSA on September 30, 2016 in its submission of the DIR1T template that its PSDI-5 replacement parts may not be available until Q3 2017. At that time, while capacities and estimated production start dates were known, there was no confirmed production plan. BMW therefore expedited the availability of final remedy parts by developing some desiccated PSAN PSDI-5 replacement parts in the interim, while simultaneously developing an alternate non-ammonium nitrate replacement part. Notwithstanding those efforts, BMW NA will not have sufficient parts to meet the Priority Group 4 Supply and Launch Deadline and be able to ensure that there will be no gap in parts availability. We will also likely require an extension for the same population of vehicles in Priority Group 5.

While we are aware that Clause 34 of the Amended Coordinated Remedy Order (ACRO) called for an earlier Launch Date of March 31, 2017 for Priority Group 4, in February an updated production plan for the alternate parts and the available supply of desiccated parts indicated that we would have had an improvement to the timeline. However, on March 17, 2017, BMW NA was informed of a manufacturing issue at Takata that resulted in a 12 week delay of the production start dates for X5 and X6 PSPI-2 replacement parts. BMW is unable to shorten this timeframe without creating a risk of the replacement parts failing. A change of supplier was also not viable as it would have led to even further delays.



BMW NA therefore requests an extension to launch the affected models in Priority Group 4 until September 29, 2017. While our goal is to launch prior to September, we are requesting until September 29<sup>th</sup> to account for any unexpected contingencies. Further details about the reason for this request is outlined in the attachment accompanying this request, for which we are seeking confidential treatment.

Should you have any questions pertaining to this request as detailed in this letter, please contact me at (201) 571-5360 or Helen Riehle of my staff at (201) 571-5054.

Sincerely,

BMW OF NORTH AMERICA, LLC

*Helen Riehle* deputy for

Samuel Campbell, III  
Department Head  
Safety Engineering and Intelligent Transportation Systems

**Confidential Enclosures:**  
Certificate in support of confidentiality

# **Exhibit D**



**Wayne E. Bahr, Global Director**  
Automotive Safety Office  
Sustainability, Environment & Safety Engineering

**Fairlane Plaza South, Suite 400**  
330 Town Center Drive  
Dearborn, MI 48126-2738

April 5, 2017

Ms Elizabeth Mykytiuk  
Sr. Trial Attorney  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, S.E.  
Room W41-227  
Washington, DC 20590

Dear Ms. Mykytiuk:

**Subject: Ford Motor Company Notice of Anticipated Shortage and Request for Extension Supplement**

Pursuant to Paragraph 18 of the Agency's Tolling Supply & Launch Deadline for Certain Priority Group 4 Ford and Mercedes Benz Vehicles Order dated March 22, 2017, Ford Motor Company (Ford) is providing supplemental information requested below:

a) Extension Requests for All Future-Affected Priority Groups

Ford has analyzed the population of affected vehicles by Priority Group and the projected non-ammonium nitrate passenger airbag inflator repair kit production capacity, and the number of kits required to launch a national safety program. As required in the Agency's Tolling Supply & Launch Deadline Order, Ford respectfully requests extensions to the Sufficient Supply & Remedy Launch Deadlines stipulated in the Third Amendment to the Coordinated Remedy Order (ACRO3) for vehicles in Priority Groups 4 through 8. Ford's extension request assumes there are no significant setbacks that would require a new revalidation process. The affected vehicle lines are provided in Attachment #1.

b) Phased Remedy Launch Plan & Schedule

As discussed with the Agency on March 16, 2017, Ford is planning to launch owner notification mailings when specific replacement inflator kit supply thresholds are reached; allowing Ford to phase mail customers by Priority Groups and Geographic Zones. Ford is submitting a chart used to determine its prioritized phased mailing plan with a request for confidential treatment pursuant to 49 CFR Part 512 in Confidential Attachment #2. A summary of the mailing plan is provided in the following table:

		30% UIO	40% UIO	50% UIO
Priority Group	Supply & Launch Deadline	Phased Launch Start HAH / Zone A	Phased Launch Start Non-HAH / Zone B	Phased Launch Start Zone C
4	3/31/17	November 2017	December 2017	N/A
5	6/30/17	December 2017	January 2018	February 2018
6	9/30/17	January 2018	February 2018	April 2018
7	12/31/17	February 2018	March 2018	May 2018
8	3/31/18	April 2018	May 2018	June 2018

c) Interim Remedy Part Acquisition Efforts

Ford has requested quotes from Takata regarding supplying a limited supply of like-for-like PSPI replacement inflators and/or modules for those customers in the HAH / Zone A areas. At the time of this submission, Takata has not provided its response to Ford's request, but Ford is continuing to work with them to understand any availability and timing.

d) Inflator Design/Development/Validation Timing Opportunities

In the February 14, 2017 extension request, Ford provided an overview of its replacement passenger airbag inflator development/validation process and timing. Ford is in the process of validating replacement airbag inflators for eight vehicle lines that were originally designed to meet the performance requirements prescribed in FMVSS 208, which includes both belted and unbelted 50% male and 5% female occupants. Ford's product development team reviewed their process to identify any opportunities to further reduce the time required to validate new non-ammonium nitrate replacement inflators. Presently, Ford has not identified any additional opportunities to reduce the timing.

e) Projected Inflator Supply Catchup Timing

Based on validation timing, rate and flow projections, and estimated units in operation, Ford believes it will have a sufficient supply of inflator kits to launch a national program by the Priority Group 9 deadline. Additionally, Ford will continue to look for opportunities to improve the owner notification communications, including:

- Identify vehicles no longer in-service and remove them from the affected vehicle population, to reduce the inventory of parts required to launch the program phases
- Monitor the on-hand passenger airbag inflator replacement parts supply, affected by customer response rate, and adjust the notification timing and volume accordingly

Ford is investigating purchasing additional final replacement part production capacity, which will require approximately 12 months to construct. Although a second inflator production line will not accelerate timing to initially launch a program, additional capacity may reduce the time to produce sufficient inflator kits for the entire affected vehicle population.

f) Owner Warning Notifications or Assistance

Ford and Lincoln Dealers are committed to providing excellent customer service and may be able to provide loaner vehicles while a vehicle is being serviced depending on vehicle availability and customer needs.

For customers whose vehicles are currently under recall and that do not have interim or final repairs available, Ford will mail letters that will address the following topics:

- Remind owners that their passenger frontal airbag inflators are under recall and update them on the status of replacement parts.
- Share methods to reduce risk, including:
  - Inform owners that front passenger seating locations offer a suppression system that does not deploy an airbag if the seat is empty
  - Suggest that customers consider not using the front passenger seat until the repair is completed
  - Remind owners who have questions or concerns that they can contact Ford's Customer Relationship Center for assistance

If you have any questions concerning this response, please feel free to contact me.

Sincerely,

Wayne E. Bahr  
Attachement

## Attachment #1 - Extension Request Priority Group

Estimated Vehicle Population by Zone				Geographic Zone			Grand Total
Priority Group	Make	Vehicle Model	MY	A	B	C	
4	Ford	GT	2005	995	468		1,463
			2006	965	407		1,372
		Mustang	2005	80,443	48,604		129,047
			2006	81,605	52,331		133,936
			2007	83,962	54,390		138,352
			2008	54,025	33,234		87,259
			2009	23,286			23,286
			2010	42,477			42,477
2011	33,814			33,814			
5	Ford	Edge	2007	42,786			42,786
			2008	48,084			48,084
			2009	14,992			14,992
		Fusion	2006	47,634			47,634
			2007	54,004			54,004
			2008	51,147			51,147
		Ranger	2009	31,396			31,396
			2007	38,248			38,248
			2008	41,515			41,515
	Lincoln	MKX	2009	21,726			21,726
			2007	13,911			13,911
			2008	13,625			13,625
		Zephyr/MKZ	2009	4,167			4,167
			2006	12,648			12,648
			2007	11,839			11,839
	Mercury	Milan	2008	11,741			11,741
2009			5,322			5,322	
2006			11,261			11,261	
2007			10,641			10,641	
2008			10,132			10,132	
2009	4,664			4,664			
6	Ford	Edge	2007		55,437		55,437
			2008		56,248		56,248
			2010	43,049			43,049
		Fusion	2006		54,460		54,460
			2007		65,016		65,016
			2008		60,917		60,917
			2010	94,678			94,678
			2011	72,786			72,786
			2007		28,312		28,312
	Ranger	2008		31,829		31,829	
		2010	26,928			26,928	
		2011	39,990			39,990	
MKX	2007		14,690		14,690		
	2008		15,922		15,922		
	2010	7,513			7,513		

## Attachment #1 - Extension Request Priority Group

Estimated Vehicle Population by Zone				Geographic Zone			Grand Total
Priority Group	Make	Vehicle Model	MY	A	B	C	
	Lincoln	Zephyr/MKZ	2006		13,046	5,632	18,678
			2007		14,699	6,395	21,094
			2008		14,549	6,177	20,726
			2010	9,831			9,831
			2011	8,556			8,556
	Mercury	Milan	2006		15,923		15,923
			2007		16,444		16,444
			2008		15,732		15,732
			2010	10,648			10,648
			2011	1,964			1,964
7	Ford	Fusion	2012	103,579			103,579
		Mustang	2012	46,757			46,757
	Lincoln	Zephyr/MKZ	2012	12,780			12,780
8	Ford	Edge	2007			23,362	23,362
			2008			24,973	24,973
			2009		20,463		20,463
		Fusion	2006			23,925	23,925
			2007			28,411	28,411
			2008			26,765	26,765
			2009		47,267		47,267
		GT	2005			295	295
			2006			253	253
	Mustang	2005			15,049	15,049	
		2006			18,154	18,154	
		2007			18,350	18,350	
		2008			11,225	11,225	
		2009		14,610		14,610	
	Ranger	2007			13,032	13,032	
		2008			14,503	14,503	
		2009		20,729		20,729	
	Lincoln	MKX	2007			5,924	5,924
			2008			7,302	7,302
			2009		4,959		4,959
		Zephyr/MKZ	2009		7,963		7,963
	Mercury	Milan	2006			7,298	7,298
			2007			8,266	8,266
2008					6,752	6,752	
2009				9,011		9,011	
<b>Grand Total</b>				<b>1,382,114</b>	<b>787,660</b>	<b>272,043</b>	<b>2,441,817</b>





**Wayne E. Bahr, Global Director**  
Automotive Safety Office  
Sustainability, Environment & Safety Engineering

**Fairlane Plaza South, Suite 400**  
330 Town Center Drive  
Dearborn, MI 48126-2738

June 23, 2017

Mr. Stephen Hench  
Trial Attorney  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, S.E.  
Room W41-227  
Washington, DC 20590

Dear Mr. Hench:

**Subject: Ford Motor Company Notice of Anticipated Shortage and Request for Extension**

Ford submits this request to extend the Supply and Launch deadline for Priority Group 4 (PG4) Ford Ranger vehicles in the Zone A states of California and South Carolina and in the non-Zone A states per your request dated June 15, 2017.

Ford notes that this request is a change from the previous guidance provided by the Agency in several telephone conversations regarding how Ford should address the 2004 - 2006 MY Ford Ranger vehicles affected by these recalls. In a telephone conversation between the Agency and Ford personnel on April 13, 2017, Ford explained the evolution of the Ford Ranger inflator recalls and the complexity involved in administering those recalls since the Agency has expanded the geographic regions, issued a Coordinated Remedy Order with subsequent amendments, and clarified that Paragraph 34 of the Third Amendment to the Coordinated Remedy Order (ACRO3) was intended to mean that the recall campaign be launched to the entire Priority Group by the deadline.

Ford requested direction from the Agency during the April 13, 2017 telephone call as to how the Agency would like Ford to address the Ranger vehicles in light of the extension request that Ford was preparing at that time. In a subsequent series of telephone calls on April 20, 2017, the Agency indicated to Ford that no action related to the extension request was necessary for the Ranger vehicles since a "like for like" service action had been in progress for nearly three years.

**Background:**

**June 2014:** The Agency requested that Ford voluntarily conduct an inflator collection program for vehicles located in Florida, Hawaii, Puerto Rico, and the U.S. Virgin Islands. The inflators included in this program included 2004 - 2005 MY Ford Ranger single stage passenger inflators (SPI).

October 2014: NHTSA requested that Ford conduct an inflator collection program for Takata SDI driver airbag inflators installed in 2004 - 2005 MY Ford Ranger vehicles located in the four state HAH region (Florida, Hawaii, Puerto Rico, and U.S. Virgin Islands.) Ford administered this collection program in recall (14B04 / 14V-343). As the scope of the Takata recalls expanded to other vehicle lines and other non-desiccated ammonium nitrate inflators, Ford regularly asked the Agency whether to extend the inflator collection program to other states within the extended HAH area and whether to include the 2006 MY Ranger vehicles as well. Through December 2015, Takata conducted ballistic tests on more than 1,900 SDI inflators collected from 2004 - 2005 MY Rangers without incident. As a consequence, NHTSA-ODI did not request expansion of the scope of the inflator collection program.

October 2015: NHTSA held a meeting with affected vehicle manufacturers at VRTC to discuss a methodology to assign priority groups for all vehicles that were under recall at the time. The Agency also requested manufacturers to evaluate all vehicles that were under recall at the time and to assign priority group rankings. These rankings are summarized in NHTSA's November 3, 2015 Coordinated Remedy Order Annex A. At the time, only the passenger airbag inflator was under recall for the 2004 - 2006 MY Ranger. The Ranger driver airbag SDI inflator was still in a voluntary parts collection program. Annex A of the November 3, 2015 Coordinated Remedy Order did not include South Carolina or California in the HAH region.

December 2015: Ford was informed of a driver airbag inflator rupture on a 2006 MY Ranger in South Carolina, which resulted in a fatality. In response to this field incident, Ford initiated a national safety program (16S03 / 16V-036) to replace the Takata SDI driver airbag inflators. At the time, Ford had not developed a non-ammonium nitrate driver airbag replacement inflator, because no ruptures had been observed during ballistic tests conducted at Takata. As an interim repair, Ford offered like-for-like Takata SDI inflators until a permanent solution could be developed and production capacity was secured. Due to limited availability of interim repair parts, Ford administered the national recall program by prioritizing vehicles that were currently registered or had ever been registered in the HAH region.

May 16, 2016: Takata submitted three Defect Information Reports (16E-042, 16E-043, 16E-044) to NHTSA declaring that remaining non-desiccated ammonium nitrate airbag inflators were defective. None of these DIRs address the SDI driver airbag inflator used in the Ranger. In June 2016, NHTSA held a meeting with affected vehicle manufacturers at Department of Transportation headquarters in Washington, D.C., to discuss a methodology to assign priority groups for all vehicles equipped with inflators listed in Takata's DIRs. The Agency requested manufacturers to evaluate all vehicles that were under recall at the time and provide the results of the assessments.

December 9, 2016: NHTSA published the Third Amendment to the Coordinated Remedy Order, which among other things, assigned new priority groups for vehicles affected by the Takata recalls, instituted sufficient part supply deadlines, and stipulated recall completion percentage milestones. This amendment also added South Carolina and California to the HAH region, as well as described three geographic zones that the United States would be divided into for future recall administration. Further, in a February 3, 2017 email, the Agency provided clarification that the definition of a "launched" program under Paragraph 34 of the ACRO3 meant that all owners in particular priority group had been notified that parts are available. Previously the understanding by Ford (and apparently other OEMs) was that a program was launched when owners were notified, even if it was a phased or "rolling" notification.

February 14 2017: Ford filed a Notice of Anticipated Shortage and Request for Extension for Priority Group 4 Ford GT and Ford Mustang vehicles equipped with Takata PSPI dual stage passenger airbag inflators.

March 22, 2017: NHTSA issued Order Tolling Supply and Launch Deadline for Certain Priority Group 4 Ford and Mercedes Benz Vehicles, which required Ford to submit a supplement to its February extension request.

April 5, 2017: Ford submitted its response to the Agency's "Tolling Supply and Launch Deadline" order. As requested by the Agency, Ford requested extensions for vehicles in Priority Groups 4 – 8 equipped with Takata PSPI passenger airbag inflators.

June 15, 2017: NHTSA requested that Ford file a separate extension request to include the 2004 - 2006 MY Ranger vehicles originally delivered or registered in South Carolina and California that now, along with the previous HAH states make up "Zone A" as well as non-Zone A states.

In response to the Agency's June 15, 2017 email and pursuant to Paragraph 39 of the Agency's Third Amendment to the Coordinated Remedy Order (ACRO3) dated December 9, 2016, Ford Motor Company (Ford) respectfully requests an extension to the Supply & Launch Deadline for the following Priority Group 4 vehicles as specified in Amended Annex A:

Model Years	Make	Model	Inflator	Zone
2004-6	Ford	Ranger	DAB	A <sup>(1)</sup>
2004-6	Ford	Ranger	DAB	Non-A

(1) – This extension request for Zone A applies to vehicles in California and South Carolina, which were not included in the original definition of the HAH area (Florida, Mississippi, Alabama, Louisiana, Texas, Hawaii, Puerto Rico, U.S. Virgin Islands) when Ford recalls (14B04 / 14V-343) and (16S03 / 16V-036) were launched.

(i) Explanation

Final repair parts for the 2004 - 2006 MY Ford Ranger have yet to become available due to difficulty securing a production source for service kit components, specifically, the intermediate wiring harness. Ford has secured a production source for the final repair driver airbag inflator and parts are currently being produced. Unfortunately, the original service wiring harness as released by Takata included a connector manufactured from a non-Ford approved supplier. Once this issue was identified by Ford, Takata needed to release a new connector for the wiring harness and secure a new Ford approved supplier. Wiring harness production tooling is currently being developed; and, Ford will finalize production validation testing when parts become available.

Ford's approach to the recall remedies is to develop replacement inflators that are non-PSAN based, while providing "like for like" inflators to the highest risk vehicles as an interim repair only. We are aware that other OEMs may have taken different approaches and utilized "revised" non-desiccated PSAN based inflators or desiccated PSAN based inflators for their remedies and those remedy parts may be available in a shorter timeframe than non-PSAN based inflators.

Mr. Stephen Hench

June 23, 2017

We believe the Agency agrees with Ford that inflators utilized for recall remedies must provide acceptable performance in the multitude of crash scenarios evaluated for the original equipment. Ford has been focused on the most expeditious solutions (existing inflator designs that require minimal design changes, inflators where suppliers have readily available capacity or the shortest time to make capacity available) for inflators that could be validated to perform as expected. Ford has worked and continues to work diligently to introduce recall remedy parts as expeditiously as possible.

(ii) Remedy Part Selection, Validation, and Development Process

Ford utilizes a thorough engineering process to identify, develop, and validate replacement driver and passenger airbag inflators or replacement modules for in-use vehicles affected by the Takata recalls. Below is a high level description of the service part development and validation process:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Mr. Stephen Hench

- 5 -

June 23, 2017

[REDACTED]

(iii) Sufficient Remedy Part Supply Sourcing

Ford has secured sufficient production capacity to produce the [REDACTED] single stage driver airbag inflator from [REDACTED].

(iv) Replacement Part Quantities

Ford is providing the number of affected 2004 - 2006 MY Ford Ranger vehicles as reported in the June 9, 2017 Monitor Dashboard. The number does not include the units not in service (e.g., scrapped, stolen, exported, or not registered for two or more years consecutively.) The number of available parts includes only the number of like-for-like Takata SDI driver airbag inflators available for dealers to order as of the June 9, 2017, Monitor Dashboard submission.

Model Years	Make	Model	Inflator	Zone	Vehicles Affected	Parts Available as of 6/9/17 <sup>(1)</sup>
2004-6	Ford	Ranger	DAB	A	129,654 <sup>(2)</sup>	5,722
2004-6	Ford	Ranger	DAB	Non-A	231,481 <sup>(2)</sup>	

(1) – Quantity of Takata SDI like-for-like inflator parts available for dealer order fulfillment within 24 hours.  
 (2) – Number of affected vehicles and does not account for vehicles out of service or vehicles that have been repaired with a Takata SDI like-for-like inflator as an interim repair.

Ford mailed customers in the extended HAH area (Florida, Hawaii, Puerto Rico, U.S. Virgin Islands, Alabama, Mississippi, Louisiana, and Texas) that interim Takata SDI replacement inflators were available. Ford also allowed dealers to repair vehicles that were not in the extended HAH area of the country. A summary of completed repairs for both recall completed as of Ford's June 9, 2017 Dashboard submission are provided below:

Model Years	Make	Model	Inflator	Zone	Vehicles Affected	Vehicles Repaired with Like-For-Like Inflators
2004-6	Ford	Ranger	DAB	A	129,654	22,775
2004-6	Ford	Ranger	DAB	Non-A	231,481	47,257

(v) Extension Request Date

Based on validation timing, rate and plow projections, and estimated units in operation, Ford believes it will have a sufficient supply of inflator kits to launch a national program in its entirety by December 2017. Ford will continue to look for opportunities to improve the owner communication timing including:

- Identify vehicles no longer in-service and remove them from the affected vehicle propulsion, to reduce the inventory of parts required to launch the program phases
- Monitor the on-hand driver airbag inflator kit part supply, affected by customer response rate, and adjust the notification timing and volume accordingly

Model Years	Make	Model	Inflator	Zone	Extension Request Date
2004-6	Ford	Ranger	DAB	A	November 2017
2004-6	Ford	Ranger	DAB	Non-A	December 2017

Ford is investigating several methods to improve the recall launch timing including phased owner mailing and revising the percent of service parts that are required to launch a program to improve the flow of service kits.

(vi) Phased Remedy Launch Plan & Schedule Proposal

Ford proposes to launch owner notification mailing when specific replacement inflator kit supply thresholds are reached; allowing Ford to phase mail customers by geographic zone. Ford is submitting a chart used to determine its prioritized phase mailing plan with a request for confidential treatment pursuant to 49CFR Part 512 in Confidential Attachment #1.

Geographic Zone	Parts On Hand %	Phased Launch Start
A	30%	November 2017
B	40%	1 <sup>st</sup> Half - December 2017
C	50%	2 <sup>nd</sup> Half - December 2017

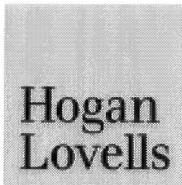
If you have any questions concerning this response, please feel free to contact me.

Sincerely,



Wayne E. Bahr  
Attachement

# **Exhibit E**



Hogan Lovells US LLP  
Columbia Square  
555 Thirteenth Street, NW  
Washington, DC 20004  
T +1 202 637 5600  
F +1 202 637 5910  
www.hoganlovells.com

April 5, 2017

Mr. Stephen P. Wood  
Acting Chief Counsel  
National Highway Traffic Safety Administration  
(NCC-111), Room W41-227  
1200 New Jersey Avenue, SE  
West Building  
Washington, DC 20590

**RE: Docket No. NHTSA-2015-0055 – Mercedes-Benz USA Response to NHTSA  
Tolling Order (March 22, 2017)**

Dear Mr. Wood:

On behalf of our clients, Daimler AG (“DAG”) and Mercedes-Benz USA, LLC (hereinafter “MBUSA”), this letter provides MBUSA’s responses to NHTSA’s March 22, 2017 Order Tolling Supply & Launch Deadline for Certain Priority Group 4 Ford and Mercedes-Benz Vehicles (“Tolling Order”).

The response includes the specific information requested by NHTSA in ¶18 of the Tolling Order, as well as responses to several other provisions of the Order.

**Paragraph 8**

NHTSA notes in ¶18 of the Tolling Order that “approximately 2,500 MBUSA PSDI-5 driver inflators [have been] tested,” and notes in footnote 1 that “it is NHTSA’s understanding that no Mercedes PSPI-2 passenger inflators have been tested.” Tolling Order at 4. MBUSA will continue to ship PSDI-5 field return parts, which have been replaced under the already launched recall, to Takata for testing. The amount of inflators tested per week is currently limited by Takata’s testing capabilities. In addition, while it is true that passenger inflators had not yet been tested at the time of the submission of the February 14, 2017 extension request, MBUSA has voluntarily started to collect PSPI-2 inflators from a limited number of U.S. vehicles which are currently not under recall. Testing of the first batch of inflators was concluded on April 3, 2017. Test results do not indicate any pattern of critical aging and are being prepared for submission to NHTSA.



**Paragraph 13b**

The Tolling Order states that “for the PSDI-5 driver inflator, the only available alternative remedy part [for MBUSA] is a desiccated PSDI-5 inflator, which may be recalled in the future if Takata is unable to prove the safety of or safe service life of its desiccated inflators in accordance with the November 3, 2015 Consent Order.” Tolling Order at 5.

MBUSA has developed modules with desiccated PSDI-5d inflators for all models subject to the current recall of Priority Group 4 HAH vehicles (“stage 1” of the recall). These vehicle models are: the C-Class (203 platform), SLK (171 platform), ML (164 platform), GL (164 platform), and R-Class (251 platform). While these PSDI-5d modules could also be used in the same models of Priority Group 4, the modules are not readily available as interim remedy solutions due to [

]

**Paragraph 18**

**a. Extension requests for all future-affected priority groups**

MBUSA is respectfully requesting an extension of 12 months for the launch of Priority Groups 4, 5, 6, and 7. Due to the fact that vehicles from Priority Group 8 are moved forward [ ], these vehicles will be remedied along with Priority Group 5 (and therefore no specific extension is needed for Priority Group 8). In addition, MBUSA is respectfully requesting an extension of 9 months for Priority Group 9 as well as 6 months for Priority Group 10.

Please see Attachment 1, Extension Request for Priority Groups 4-10.

**b. A schedule and description of how they plan to phase the remedy launch for each affected priority group**

In Attachment 1, we have provided an overview of Mercedes-Benz vehicles in the U.S. market as allocated to the Priority Groups. This chart includes NHTSA’s launch deadlines as published in the Third Amendment to the Coordinated Remedy Order (“ACRO”), as well as MBUSA’s proposed launch deadlines which are the subject of this extension request.

[

] In addition, in the planning phase for the remedy launch for certain models, model years (MYs) and zones, MBUSA will evaluate parts availability for the specific model and schedule the launch date accordingly. For this reason, vehicles of a certain model, MY or zone may be launched ahead of the proposed deadline.

**c. An assessment of their capability to acquire a sufficient supply of interim remedy parts should the request be denied, in whole or in part**

[

]

Since only one production line is available [ ] for production of final and interim remedy parts for driver airbags, and the production line for passenger airbags is utilized for different modules, there is no capacity to acquire a sufficient supply of interim remedy parts for Mercedes-Benz cars without affecting the production of final remedy parts.

The consideration of interim remedy parts would cause significant delays in final remedy part production, since necessary test parts for development processes cannot be manufactured in time. Also, the production of interim remedy parts would strictly draw from production capacity of the final remedy parts. In addition, critical [ ] items [ ] from sub-suppliers used for interim remedy parts would not be available for any final remedy parts.

[ ] timelines for manufacturing capacity, expected handling time for sub-supplier materials, as well as [ ] delivery time, show that the required start-up volume of interim remedy parts would not be available in the U.S. before November 2017, [ ] Interim remedy parts, [ ] would therefore only be available four to six weeks earlier than the scheduled launches of final remedy, [ ] modules.

[

]

- d. An assessment of any new areas of inflator design and development that may be expedited without compromising the safety of the replacement inflators**

[

]

In order to provide the [ ] remedy as soon as possible, MBUSA has been expediting the development of remedy parts as much as possible. However, MBUSA is firmly committed to ensuring the effective and safe performance of the [ ] airbag modules. Therefore, the following validation and testing milestones are necessary for the development of the [ ] remedy:

[

been able to significantly reduce the development and approval time for the [ ] by applying several measures[

] MBUSA has  
] modules

]

In order to further expedite the supply of final remedy parts[ ] has agreed to start production of [ ] remedy modules [ ] at its own risk as soon as design and module functionality have been approved[

]

Mr. Stephen P. Wood  
April 5, 2017  
Page 5

With these measures, MBUSA succeeded in expediting the development and approval time for [ ] remedy modules from [ ] (regular development and approval process)

- ]
- e. The date on which they anticipate that supply of the replacement parts will catch up with demand and they will be able to comply with the schedule in Paragraph 34 of the ACRO**

MBUSA expects to launch the recall for vehicles in Priority Group 10 by September 30, 2019, and would therefore be in line with NHTSA's remedy launch schedule prior to the launch deadline for Priority Group 11 at the latest. Due to the fact that large scale like-for-like replacements are avoided under MBUSA's plan, Priority Groups 11 and 12 (which cover vehicles with like-for-like

---

<sup>1</sup> Please note that the timelines described herein assume that the global demand for [ ] inflators remains relatively unchanged from current projections. Should another country implement a wide-ranging recall similar to the U.S. recall, all development and supply timelines will be greatly impacted.

Mr. Stephen P. Wood  
April 5, 2017  
Page 6

replacements) do not contain any Mercedes-Benz vehicles and are therefore irrelevant for MBUSA.<sup>2</sup> In addition, under the MBUSA plan all Takata recalls will be completed prior to the overall end date in the ACRO.

- f. A statement as to whether they propose to provide any notification (including warnings against occupants in the passenger seat) or assistance (including loaner vehicles) to affected consumers should their Extension Request be granted, in whole or in part.**

MBUSA proposes to provide affected Priority Group 4 customers included in the extension request with a supplemental notification reminding them of the potential dangers of a defective Takata inflator that may rupture in a crash, and encouraging them to dialogue with the MBUSA Customer Assistance Center and/or Authorized Mercedes-Benz Dealers with any lingering concerns. Additionally, MBUSA proposes to include a reminder that remedy parts are currently not available, but that an additional notification will be sent once replacement airbags are available. Furthermore, customers will be directed to an MBUSA website where they can enter their most recent contact information, including phone and email address, to help ensure that MBUSA has their most up-to-date information.

\* \* \*

We trust that this information is helpful as NHTSA considers MBUSA's pending extension requests. Please let us know if there are any questions.

Sincerely,

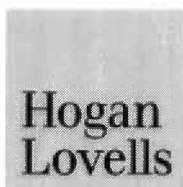
R. Latane Montague



Cc: Stephen Hensch, Esq.  
R. Thomas Brunner

---

<sup>2</sup> A small number of vehicles will receive a like-for-like replacement module as part of an interim remedy campaign. These vehicles will remain in the original Priority Group in order to receive a final remedy, [ ].



Hogan Lovells US LLP  
Columbia Square  
555 Thirteenth Street, NW  
Washington, DC 20004  
T +1 202 637 5600  
F +1 202 637 5910  
www.hoganlovells.com

April 5, 2017

**CONFIDENTIAL INFORMATION REDACTED**

Mr. Stephen P. Wood  
Acting Chief Counsel  
National Highway Traffic Safety Administration  
(NCC-111), Room W41-227  
1200 New Jersey Avenue, SE  
West Building  
Washington, DC 20590

**RE: Docket No. NHTSA-2015-0055 – Mercedes Benz USA Request for Extension of Takata Coordinated Remedy Program Sufficient Supply and Remedy Launch Deadlines for Priority Groups 4-10**

Dear Mr. Wood:

On behalf of our clients, Daimler AG (“DAG”) and Mercedes Benz USA, LLC (hereinafter “MBUSA”), this letter requests an extension of time in which to comply with the sufficient supply and remedy launch deadlines for Priority Groups 4-10 set forth in Paragraph 34 of the Third Amendment to the Takata Coordinated Remedy Order (“ACRO”).

[

]

MBUSA explained its development process for [ ] to NHTSA in the February 2017 meeting, as well as in the supplemental information submitted in response to NHTSA’s March 22, 2017 tolling order. Please refer to those materials for a more complete explanation of the inflator

development process and timeline. MBUSA has coordinated with the supplier to develop a reasonable plan to identify replacement parts, develop and validate these parts, and have a production process in place. Although DAG has expedited this process, working closely with [REDACTED], MBUSA was unable to meet the March 31, 2017 launch date for Priority Group 4 due to the timing of the development and production schedule for the [REDACTED] (hence the need for MBUSA's original Priority Group 4 extension request). Once the development process is complete – which, under maximum expedited conditions, is expected to occur by early 2018 – MBUSA will still be subject to the limitations and capabilities of the [REDACTED] production and supply process. While MBUSA is making all reasonable efforts to accelerate this process, there will be unavoidable impacts on the company's ability to launch later Priority Groups. Thus, MBUSA does not anticipate having an adequate supply of inflators to meet the applicable remedy launch deadlines for Priority Groups 4-10. Accordingly, MBUSA respectfully requests an extension of time in which to comply with the deadlines specified for these Priority Groups in the ACRO.

The relevant model, zone and population information, as well as the requested remedy launch date, for each of the Priority Groups subject to this extension request are provided below.

**Priority Group 4**

As the Agency is aware, MBUSA originally submitted an extension request for certain Priority Group 4 vehicles on February 14, 2017. In that request, MBUSA noted that the remedy for some Priority Group 4 HAH vehicles had already been launched or would soon be launched ("stage 1" of the MBUSA recall). These vehicles therefore were not subject to the extension request. The "stage 1" vehicles are as follows:

Current HAH Recalls						
Model Years	Make	Model	Inflator	Zone	Population	Info
2005 - 2007	Mercedes-Benz	C-Class (203 platform)	DAB	HAH	37,890	
2007 - 2008	Mercedes-Benz	SLK-Class	DAB	HAH	3,759	
2009 - 2009	Mercedes-Benz	GL-Class	DAB	HAH	3,442	
2009 - 2009	Mercedes-Benz	ML-Class	DAB	HAH	5,806	
2009 - 2009	Mercedes-Benz	R-Class	DAB	HAH	687	
Total:					51,584	

In addition, MBUSA has received updated Polk data for affected U.S. vehicles. The company therefore is revising the vehicle information previously communicated to NHTSA in the original extension request. The updated data indicates additional vehicles in Zone A for Priority Group 4, however the overall vehicle population has not changed. The revised Priority Group 4 vehicle population subject to the MBUSA extension request is as follows:

Priority Group 4 NHTSA Remedy Launch Deadline: March 31, 2017						
Model Years	Make	Model	Inflator	Zone	Population	Info
2005 - 2007	Mercedes-Benz	C-Class (203 platform)	DAB	A	55,342	
2009 - 2009	Mercedes-Benz	GL-Class	DAB	A	6,059	
2009 - 2009	Mercedes-Benz	ML-Class	DAB	A	12,294	
2009 - 2009	Mercedes-Benz	R-Class	DAB	A	1,404	
2007 - 2008	Mercedes-Benz	SLK-Class	DAB	A	5,116	
2008 - 2009	Mercedes-Benz	C-Class (204 platform)	DAB, PAB	A	96,140	
Total:					176,355	

➔ Requested MBUSA Extension: 12 months (launch: March 31, 2018)

**Priority Group 5**

Priority Group 5 NHTSA Remedy Launch Deadline: June 30, 2017						
Model Years	Make	Model	Inflator	Zone	Population	Info
2005 - 2007	Mercedes-Benz	C-Class (203 platform)	DAB	non-A	19,838	
2010 - 2011	Mercedes-Benz	E-Class	DAB	A	22,821	
2010 - 2012	Mercedes-Benz	GL-Class	DAB	A	46,477	
2009 - 2009	Mercedes-Benz	GL-Class	DAB	non-A	4,101	
2010 - 2011	Mercedes-Benz	ML-Class	DAB	A	42,439	
2009 - 2009	Mercedes-Benz	ML-Class	DAB	non-A	8,337	
2010 - 2012	Mercedes-Benz	R-Class	DAB	A	4,488	
2009 - 2009	Mercedes-Benz	R-Class	DAB	non-A	1,088	
2007 - 2008	Mercedes-Benz	SLK-Class	DAB	non-A	3,435	
2012 - 2012	Mercedes-Benz	GLK-Class	DAB	A	17,476	
2012 - 2015	Mercedes-Benz	SLS-Class Coupé	DAB	A	727	
2012 - 2015	Mercedes-Benz	SLS-Class Roadster	DAB	A	660	
2008 - 2009	Mercedes-Benz	C-Class (204 platform)	DAB	non-A	42,602	
2011 - 2011	Mercedes-Benz	SLS-Class Coupé	DAB	non-A	229	
2010 - 2011	Mercedes-Benz	C-Class (204 platform)	DAB, PAB	A	84,941	
2011 - 2011	Mercedes-Benz	E-Class Cabrio	DAB, PAB	A	7,311	
2010 - 2011	Mercedes-Benz	E-Class Coupé	DAB, PAB	A	11,837	
2010 - 2011	Mercedes-Benz	GLK-Class	DAB, PAB	A	34,881	
2011 - 2011	Mercedes-Benz	SLS-Class Coupé	DAB, PAB	A	658	
Total:					354,346	

➔ Requested MBUSA Extension: 12 months (launch: June 30, 2018)<sup>1</sup>

<sup>1</sup> Please see additional information under Priority Group 8.



**Priority Group 6**

Priority Group 6 NHTSA Remedy Launch Deadline: September 30, 2017						
Model Years	Make	Model	Inflator	Zone	Population	Info
2010 - 2011	Mercedes-Benz	E-Class	DAB	non-A	9,072	
2010 - 2012	Mercedes-Benz	GL-Class	DAB	non-A	22,147	
2010 - 2011	Mercedes-Benz	ML-Class	DAB	non-A	18,106	
2010 - 2012	Mercedes-Benz	R-Class	DAB	non-A	2,752	
2010 - 2011	Mercedes-Benz	C-Class (204 platform)	DAB	non-A	33,047	
2010 - 2011	Mercedes-Benz	E-Class Coupé	DAB	non-A	3,786	
2010 - 2012	Mercedes-Benz	GLK-Class	DAB	non-A	31,484	
2012 - 2015	Mercedes-Benz	SLS-Class Coupé	DAB	non-A	262	
2012 - 2015	Mercedes-Benz	SLS-Class Roadster	DAB	non-A	209	
2011 - 2011	Mercedes-Benz	E-Class Cabrio	DAB	non-A	2,776	
					Total:	123,641

→ Requested MBUSA Extension: 12 months (launch: September 30, 2018)

**Priority Group 7**

Priority Group 7 NHTSA Remedy Launch Deadline: December 31, 2017						
Model Years	Make	Model	Inflator	Zone	Population	Info
2012 - 2012	Mercedes-Benz	GLK-Class	PAB	A	17,476	a)
2012 - 2012	Mercedes-Benz	SLS-Class Coupé	PAB	A	472	a)
2012 - 2012	Mercedes-Benz	SLS-Class Roadster	PAB	A	484	a)
2012 - 2012	Mercedes-Benz	C-Class (204 platform)	PAB	A	55,720	
2012 - 2012	Mercedes-Benz	E-Class Cabrio	PAB	A	5,153	
2012 - 2012	Mercedes-Benz	E-Class Coupé	PAB	A	4,839	
					Total:	84,144

→ Requested MBUSA Extension: 12 months (launch: December 31, 2018)

**Priority Group 8**

Priority Group 8 NHTSA Remedy Launch Deadline: March 31, 2018						
Model Years	Make	Model	Inflator	Zone	Population	Info
2008 - 2008	Mercedes-Benz	C-Class (204 platform)	PAB	non-A	26,107	a)
					Total:	26,107

- Vehicles in this Priority Group will be remedied in Priority Group 5 in order to address passenger and driver airbags in one workshop visit (see above for details). Because these vehicles will be remedied with Priority Group 5, they would be subject to the extended Priority Group 5 deadline and no specific extension is needed for the Priority Group 8 deadline.

**Priority Group 9**

Priority Group 9 NHTSA Remedy Launch Deadline: June 30, 2018						
Model Years	Make	Model	Inflator	Zone	Population	Info
2009 - 2010	Mercedes-Benz	C-Class (204 platform)	PAB	non-A	32,934	a)
2013 - 2013	Mercedes-Benz	SLS-Class Coupé	PAB	A	94	a)
2013 - 2013	Mercedes-Benz	SLS-Class Roadster	PAB	A	99	a)
2010 - 2010	Mercedes-Benz	E-Class Coupé	PAB	non-A	2,620	b)
2010 - 2010	Mercedes-Benz	GLK-Class	PAB	non-A	14,406	b)
2013 - 2013	Mercedes-Benz	C-Class (204 platform)	PAB	A	72,826	
2013 - 2013	Mercedes-Benz	E-Class Cabrio	PAB	A	4,782	
2013 - 2013	Mercedes-Benz	E-Class Coupé	PAB	A	4,231	
2013 - 2013	Mercedes-Benz	GLK-Class	PAB	A	21,486	
					Total:	153,478

- Requested MBUSA Extension: 9 months (launch: March 31, 2019)

**Priority Group 10**

Priority Group 10 NHTSA Remedy Launch Deadline: March 31, 2019						
Model Years	Make	Model	Inflator	Zone	Population	Info
2014- 2015	Mercedes-Benz	SLS-Class Coupé	PAB	A	161	a)
2011- 2011	Mercedes-Benz	SLS-Class Coupé	PAB	non-A	229	a)
2014- 2015	Mercedes-Benz	SLS-Class Roadster	PAB	A	77	a)
2011- 2011	Mercedes-Benz	C-Class (204 platform)	PAB	non-A	16,608	b)
2011- 2011	Mercedes-Benz	E-Class Coupé	PAB	non-A	1,166	b)
2011 - 2012	Mercedes-Benz	GLK-Class	PAB	non-A	17,078	b)
2012 - 2015	Mercedes-Benz	SLS-Class Coupé	PAB	non-A	262	b)
2012 - 2015	Mercedes-Benz	SLS-Class Roadster	PAB	non-A	209	b)
2011 - 2011	Mercedes-Benz	E-Class Cabrio	PAB	non-A	2,776	b)
2014 - 2015	Mercedes-Benz	C-Class (204 platform)	PAB	A	57,864	
2012 - 2015	Mercedes-Benz	C-Class (204 platform)	PAB	non-A	62,703	
2014 - 2017	Mercedes-Benz	E-Class Cabrio	PAB	A	12,649	
2012 - 2017	Mercedes-Benz	E-Class Cabrio	PAB	non-A	7,522	
2014 - 2017	Mercedes-Benz	E-Class Coupé	PAB	A	11,688	
2012 - 2017	Mercedes-Benz	E-Class Coupé	PAB	non-A	5,848	
2014 - 2015	Mercedes-Benz	GLK-Class	PAB	A	47,780	
2013 - 2015	Mercedes-Benz	GLK-Class	PAB	non-A	34,610	
Total:					279,230	

→ Requested MBUSA Extension: 6 months (launch: September 30, 2019)

Notes:

- "a)" in column "info": airbag modules will be replaced in Priority Group 5, along with the respective driver airbag module.
- "b)" in column "info": airbag modules will be replaced in Priority Group 6, along with the respective driver airbag module.
- Please note that the timelines described herein assume that the global demand for [ ] inflators remains relatively unchanged from current projections. Should another country implement a wide-ranging recall similar to the U.S. recall, all development and supply timelines will be greatly impacted.

Mr. Stephen P. Wood  
April 5, 2017  
Page 7

**CONFIDENTIAL INFORMATION REDACTED**

The additional time herein requested will allow MBUSA to complete the [ ] development process, confirm that these inflators will meet all applicable safety standards, and verify that an adequate supply will be available for each of the Priority Groups.

Thank you for your consideration of this request. Please let us know if you need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Latane Montague". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

R. Latane Montague

Attachment: Certificate in Support of Notice of Anticipated  
Shortage and Request for Extension

Cc: Stephen Hench, Esq.  
R. Thomas Brunner

# **Exhibit F**



April 13, 2017

BY EMAIL

Mr. Stephen Wood, Esq.  
Acting Chief Counsel  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

**Re: Supplement to BMW Priority Group 4 Extension Request (Clause 39 ACRO)**

Dear Mr. Wood:

In accordance with the Order Tolling Supply & Launch Deadline ("Order") for certain Priority Group 4 BMW vehicles issued by NHTSA on March 31, 2017, BMW of North America, LLC ("BMW NA") on behalf of Bayerische Motoren Werke AG ("BMW AG") Munich, Germany, hereby submits this supplement to its extension request.

Paragraph 20 of the Order requires BMW to submit the following information:

*a) Extension requests for all future affected priority groups*

In addition to the Priority Group 4 extension request, BMW NA is also requesting an extension of the Launch Date for certain BMW Priority Group 5 vehicles as detailed in its separate PG5 extension request. BMW NA believes it will be able to timely launch all other priority groups specified in the Amended Coordinated Remedy Order ("ACRO").

*b) A schedule and description of how it plans to phase the remedy launch for each affected priority group.*

BMW NA will stagger the launch of the affected Priority Group 4 vehicles to align with the expected parts availability. See chart below for the launch schedule and updated extension dates:

**Company**  
BMW of North America, LLC

BMW Group Company

**Mailing address**  
PO Box 1227  
Westwood, NJ  
07675-1227

**Office address**  
200 Chestnut Ridge Rd.  
Building 150  
Woodcliff Lake, NJ 07677

**Telephone**  
(201) 307-4000

**Fax**  
(201) 571-5479

**Website**  
bmwusa.com

Model	DAB or PAB	PG 4 - Revised Extension		
		Affected Vehicles	Launch Start Date	Launch End Date
X3	DAB	23,967	March 31, 2017	June 30, 2017
1 & 3 Series	DAB	116,575	March 31, 2017	July 28, 2017
X5 & X6	PAB	40,409	July 21, 2017	August 18, 2017

*c) An assessment of BMW NA's capability to acquire a sufficient supply of interim remedy parts should the request be denied, in whole or part.*

Due to production constraints, BMW NA is unable to acquire additional interim remedy parts without causing a delay in production for the new replacement parts. There is also no parallel production possible at this time.

- d) *An assessment of any areas of inflator design and development that may be expedited without compromising the safety of the replacement inflators*

While we have not yet found any opportunities for further acceleration of the inflator design and development without jeopardizing the replacement part and customer safety, we continue to explore possibilities for acceleration.

- e) *The date on which it anticipates that supply of the replacement parts will catch up with demand and it will be able to comply with the schedule in Paragraph 34 of the ACRO.*

Please see the launch scheduled outlined in paragraph b) above.

- f) *A statement as to whether it proposes to provide any notification (including warnings against occupants in the passenger seat) or assistance (including loaner vehicles) to affected consumers should its extension request be granted, in whole or in part.*

BMW NA has notified Priority Group 4 owners that parts are not available for an immediate remedy and directed customers to its website for up to date information about parts availability. BMW NA's Customer Relations Department will continue to assist affected customers with concerns about occupants in the passenger seat and their alternate transportation needs.

BMW NA renews its request for an extension to launch the affected BMW vehicles in Priority Group 4 in accordance with the staggered plan outlined in paragraph a) above.

Should you have any questions pertaining to this request, please contact me at (201) 571-5360 or Helen Riehle of my staff at (201) 571-5054.

Sincerely,

BMW OF NORTH AMERICA, LLC



Samuel Campbell, III  
Department Head  
Safety Engineering and Intelligent Transportation Systems

# BMW Group

April 13, 2017

BY EMAIL

Mr. Stephen Wood, Esq.  
Acting Chief Counsel  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

**Re: Extension Request per Clause 39 of the Third Amendment to the  
Coordinated Remedy Order – Priority Group 5**

Dear Mr. Wood:

BMW of North America, LLC ("BMW NA") on behalf of Bayerische Motoren Werke AG ("BMW AG") Munich, Germany, hereby requests a Launch Date Extension for all of the BMW models in Priority Group 5 listed below.

MY	Model	Affected Vehicles
2010 - 2013	1 Series DAB (A)	19,929
2008 - 2009	1 Series DAB (Non-A)	9,094
2010 - 2013	3 Series DAB (A)	68,498
2006 - 2009	3 Series DAB (Non-A)	81,609
2013 - 2015	X1 DAB (A)	20,642
2007 - 2009	X3 DAB (Non-A)	30,171
2010 - 2011	X5 PAB (A)	23,553
2007 - 2008	X5 PAB (Non-A)	15,912
2010 - 2011	X6 Hybrid PAB (A)	187
2010 - 2011	X6 PAB (A)	3,817
2008 - 2008	X6 PAB (Non-A)	708

**Company**  
BMW of North America, LLC

BMW Group Company

**Mailing address**  
PO Box 1227  
Westwood, NJ  
07675-1227

**Office address**  
200 Chestnut Ridge Rd.  
Building 150  
Woodcliff Lake, NJ 07677

**Telephone**  
(201) 307-4000

**Fax**  
(201) 571-5478

**Website**  
bmwusa.com

The following vehicles are excluded from this request because BMW NA has sufficient parts for a timely launch of these models.

MY	Model
2010	X3 DAB (A)
2010 - 2011	X5 DAB (A)
2007 - 2009	X5 DAB (Non-A)
2010 - 2011	X6 DAB (A)
2008 - 2009	X6 DAB (Non-A)
2010 - 2011	X6 Hybrid DAB (A)





Due to limited interim parts and to avoid the risk of a possible lapse before the replacements become available, BMW proposes a staggered launch. This approach will allow us to launch some vehicles earlier than others but we will not have enough parts to sustain the supply until all vehicles are repaired. BMW therefore requests the new Supply & Launch Deadline for all of the models involved in this Extension Request to be as follows:

Model	DAB or PAB	PG 5 – Extension Dates	
		Launch Start Date	Launch End Date
X3	DAB	June 30, 2017	July 31, 2017
1 & 3 Series / X1	DAB	Aug. 11, 2017	Sept. 15, 2017
X5 & X6	PAB	Aug. 31, 2017	Aug. 31, 2017

With the new schedule in place, we anticipate that the supply of the replacement parts will catch up with demand on or around September 15, 2017.

As you may recall, BMW NA informed NHTSA on September 30, 2016 in its submission of the DIR1 Template that its PSDI-5 replacement parts may not be available until Q3 2017. At that time, while capacities and estimated production start dates were known, there was no confirmed production plan. BMW therefore expedited the availability of final remedy parts by developing some interim parts, while simultaneously developing an alternate replacement part. Notwithstanding those efforts, BMW NA will not have sufficient parts to meet the Priority Group 5 Supply and Launch Deadline for all vehicles in that group and be able to ensure that there will be no gap in parts availability. Due to production constraints, BMW NA is also unable to acquire additional interim remedy parts without causing a delay in the production of the new replacement parts. There is also no parallel production possible at this time.

While we are aware that Clause 34 of the Amended Coordinated Remedy Order (ACRO) called for an earlier Launch Date of June 30, 2017 for Priority Group 5, in February an updated production plan for the alternate parts and the available supply of interim parts indicated that we would have had an improvement to the timeline. However, on March 17, 2017, BMW NA was informed of a manufacturing issue at Takata that resulted in a 12 week delay of the production start dates affecting the X5 and X6 replacement parts. BMW NA is unable to shorten this timeframe without creating a risk of the replacement parts failing. A change of supplier was also not viable as it would have led to even further delays.

While we have not yet found any opportunities for further accelerating the production of the replacement parts without jeopardizing the parts and consumer safety, we continue to explore possibilities for acceleration.

BMW NA has informed Priority Group 5 owners that parts are not available for an immediate remedy and directed owners to its website for up to date information about parts availability. BMW NA's Customer Relations Department will continue to assist affected customers with concerns about occupants in the passenger seat and their alternate transportation needs.

BMW NA therefore requests an extension to launch the affected models in Priority Group 5 in accordance with the schedule provided above. Further details about the reason for this request is outlined in the attachment accompanying this request, for which we are seeking confidential treatment.

Should you have any questions pertaining to this request, please contact me at (201) 571-5360 or Helen Riehle of my staff at (201) 571-5054.

Sincerely,

**BMW OF NORTH AMERICA, LLC**

*Helen Riehle*  
for

**Samuel Campbell, III**  
**Department Head**  
**Safety Engineering and Intelligent Transportation Systems**

**Confidential Enclosures:**  
**Certificate in support of confidentiality**

# BMW Group

July 31, 2017

BY EMAIL

Mr. Stephen Wood, Esq.  
Acting Chief Counsel  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

**Re: Extension Request per Clause 39 of the Third Amendment to the  
Coordinated Remedy Order – Priority Group 5 Update for the Model Year  
2007 – 2009 X3 DAB (Non-A)**

Dear Mr. Wood:

As per our conversation with Stephen Hench, Esq. of your office on July 28, 2017, BMW of North America, LLC ("BMW NA") on behalf of Bayerische Motoren Werke AG ("BMW AG") Munich, Germany, hereby requests a further extension of the Launch Date for the Model Year 2007 – 2009 BMW X3 DAB (Non-A) to September 29, 2017.

As you will note in our pending request for an extension to launch Priority Group 5 dated April 13, 2017, we requested a new Supply and Launch schedule for the BMW X3 DAB vehicles commencing June 30<sup>th</sup> and ending July 31<sup>th</sup>, 2017. Unfortunately, we have now learned that due to another production issue, our launch schedule will be further delayed for an additional 5 weeks for the airbags in the basic steering wheel. Although BMW NA currently has some desiccated parts in inventory for both the sport and basic steering wheels, given recent demands, BMW NA modified its mailing schedule as follows: 6,515 final notification letters were mailed for BMW X3 DAB vehicles with the sport steering wheel and 3,280 final notification letters were mailed for BMW X3 DAB vehicles with the basic steering wheel.

Company  
BMW of North America, LLC

BMW Group Company

Mailing address  
PO Box 1227  
Westwood, NJ  
07675-1227

Office address  
200 Chestnut Ridge Rd.  
Building 150  
Woodcliff Lake, NJ 07677

Telephone  
(201) 307-4000

Fax  
(201) 571-5479

Website  
bmwusa.com

To avoid the risk of a possible lapse in parts supply before further replacement parts become available, the remainder of the BMW X3 DAB vehicles with the basic steering wheels (20,376) will not be mailed today as stated in our earlier extension request. Instead, we plan to launch by September 29, 2017. The remainder of the letters will be mailed on or before this newly requested Supply & Launch Deadline as the part supply allows.

Should you have any questions pertaining to this request, please contact me at (201) 571-5360 or Helen Riehle of my staff at (201) 571-5054.

Sincerely,

BMW OF NORTH AMERICA, LLC



Samuel Campbell, III  
Department Head



# BMW Group

August 24, 2017

BY EMAIL

Mr. Stephen Wood, Esq.  
Acting Chief Counsel  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

**Re: Extension Request per Clause 39 of the Third Amendment to the  
Coordinated Remedy Order – Priority Group 5 Update for the Model Year  
2007 – 2009 X3 DAB (Non-A) – Further Extension Request Withdrawn**

Dear Mr. Wood:

As per our conversation with Stephen Hench, Esq. of your office on August 8, 2017, BMW of North America, LLC ("BMW NA") on behalf of Bayerische Motoren Werke AG ("BMW AG") Munich, Germany, hereby withdraws the further extension that we requested on July 31, 2017 for Model Year 2007 – 2009 X3 DAB (Non-A) Priority Group 5 vehicles.

Due to the parts delay caused by the production issues we alerted you to earlier, BMW NA initially asked our vendor to delay the mailing of the remaining 20,376 letters for the BMW X3 DAB vehicles with the basic steering wheels. However, our vendor inadvertently mailed the letters anyway. Therefore, all final letters for Model Year 2007 – 2009 X3 DAB (Non-A) Priority Group 5 vehicles were mailed by July 31, 2017 as scheduled.

The production issue which initially triggered our request for a further extension is now resolved, so we expect to start receiving parts by mid-September. In addition, we still have some desiccated parts in inventory and we believe we will have enough parts to supply dealers until the final remedy parts are available.

Should you have any questions pertaining to this request, please contact me at (201) 571-5360 or Helen Riehle of my staff at (201) 571-5054.

Sincerely,

BMW OF NORTH AMERICA, LLC



Samuel Campbell, III  
Department Head

**Company**  
BMW of North America, LLC

BMW Group Company

**Mailing address**  
PO Box 1227  
Westwood, NJ  
07675-1227

**Office address**  
200 Chestnut Ridge Rd.  
Building 150  
Woodcliff Lake, NJ 07677

**Telephone**  
(201) 307-4000

**Fax**  
(201) 571-5479

**Website**  
bmwusa.com



# BMW Group

August 24, 2017

BY EMAIL

Mr. Stephen Wood, Esq.  
Acting Chief Counsel  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

**Re: Extension Request per Clause 39 of the Third Amendment to the Coordinated Remedy Order – Priority Group 4 and 5 Update for the BMW X5 and X6 PAB**

Dear Mr. Wood:

As per our conversation with Stephen Hench, Esq. of your office on August 8, 2017, BMW of North America, LLC ("BMW NA") on behalf of Bayerische Motoren Werke AG ("BMW AG") Munich, Germany, hereby requests a further extension of the Launch Date for all of the models in Priority Group 4 and 5 listed below:

MY	Model	Priority Group
2007 - 2009	X5 PAB (A)	4
2008 - 2009	X6 PAB (A)	4
2010 - 2011	X5 PAB (A)	5
2007 - 2008	X5 PAB (Non-A)	5
2010 - 2011	X6 Hybrid PAB (A)	5
2010 - 2011	X6 PAB (A)	5
2008 - 2008	X6 PAB (Non-A)	5

As you will note in our pending request for an extension to launch Priority Group 4 dated March 17, 2017, we requested a new Supply and Launch schedule for the BMW X5 and X6 PAB vehicles commencing July 21, 2017 and ending August 18, 2017. In addition, our pending request for an extension to launch Priority Group 5 dated April 13, 2017, we requested a new Supply and Launch schedule for the BMW X5 and X6 PAB vehicles to be August 31, 2017. On July 31, 2017, 5,000 final letters were mailed to vehicles in Priority Group 4. Unfortunately, we have now learned that due to another validation issue and staffing challenges, our launch schedule will be further delayed.

Company  
BMW of North America, LLC

BMW Group Company

Mailing address  
PO Box 1227  
Westwood, NJ  
07675-1227

Office address  
200 Chesnut Ridge Rd.  
Building 150  
Woodcliff Lake, NJ 07677

Telephone  
(201) 307-4000

Fax  
(201) 571-5479

Website  
bmwusa.com

To avoid the risk of a lapse in parts supply before further replacement parts become available, the remainder of the letters for the BMW X5 and X6 PAB vehicles for Priority Group 4 (23,305) and all of the letters for the BMW X5 and X6 PAB vehicles for Priority Group 5 (43,923) will not be mailed as stated in our earlier extension requests. When we have an updated production plan, we will submit an updated request with a newly requested Supply & Launch Deadline.

Should you have any questions pertaining to this request, please contact me at (201) 571-5360 or Helen Riehle of my staff at (201) 571-5054.

Sincerely,

BMW OF NORTH AMERICA, LLC



Samuel Campbell, III  
Department Head

**Confidential Enclosures:**  
Certificate in support of confidentiality



# BMW Group

September 8, 2017

BY EMAIL

Mr. Stephen Wood, Esq.  
Acting Chief Counsel  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

**Re: Extension Request per Clause 39 of the Third Amendment to the Coordinated Remedy Order – Priority Group 4 and 5 Update for the BMW X5 and X6 PAB – New Supply & Launch Deadlines**

Dear Mr. Wood:

This letter supplements our August 24<sup>th</sup> letter wherein we requested a further extension of the Launch Date for the BMW models in Priority Group 4 and 5 listed below. BMW requests that the new Supply & Launch Deadlines for the models involved in this Extension Request be as follows:

MY	Model	Priority Group	Supply & Launch Deadline
2007 - 2009	X5 PAB (A)	4	September 29, 2017
2008 - 2009	X6 PAB (A)	4	September 29, 2017
2010 - 2011	X5 PAB (A)	5	October 31, 2017
2007 - 2008	X5 PAB (Non-A)	5	October 31, 2017
2010 - 2011	X6 Hybrid PAB (A)	5	October 31, 2017
2010 - 2011	X6 PAB (A)	5	October 31, 2017
2008 - 2008	X6 PAB (Non-A)	5	October 31, 2017

Should you have any questions pertaining to this request, please contact me at (201) 571-5360 or Helen Riehle of my staff at (201) 571-5054.

Sincerely,

Company  
BMW of North America, LLC

BMW Group Company

Mailing address  
PO Box 1227  
Westwood, NJ  
07675-1227

Office address  
200 Chestnut Ridge Rd.  
Building 150  
Woodcliff Lake, NJ 07677

Telephone  
(201) 307-4000

Fax  
(201) 571-5479

Website  
bmwusa.com

BMW OF NORTH AMERICA, LLC

  
Samuel Campbell, III  
Department Head



# Exhibit G



2007-2009

May 15, 2017

Mr. Stephen Ridella, Director  
Office of Defects Investigation  
National Highway Traffic Safety Administration  
1200 New Jersey Ave, SE  
Washington, D.C. 20590

Ms. Kerry Kolodziej, Acting Assistant Chief Counsel for Litigation and Enforcement  
Office of General Counsel  
National Highway Traffic Safety Administration  
1200 New Jersey Ave, SE  
Washington, D.C. 20590

**Subject: Notice of Anticipated Shortage and Request for Extension (“Extension Request”) for Priority Group #5**

Dear Mr. Ridella and Ms. Kolodziej:

Mazda Motor Corporation dba Mazda North American Operations (“Mazda”) respectfully submits this Extension Request for Priority Group #5, pursuant to the Third Amendment to the Coordinated Remedy Order (“ACRO”) Paragraph 39, sections (i) through (v).

The applicable model is the 2007-2009 MY B-Series, equipped with passenger side air bag inflators in Zone “A” as assigned by ACRO-Annex A. No other Mazda vehicles in Priority Group #5 are affected by this submission. Additionally, a signed affidavit by a responsible company officer is included.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Robertson'.

David Robertson, Senior Manager  
ET&C / ESE  
Research & Development  
Mazda North American Operation

Cc: E. Mykytiuk, NHTSA



The affected model includes 2007-2009 MY B-Series, passenger side airbags in Zone A, currently assigned to Priority Group 5 in ACRO-Annex A. The following sections provide explanations in response to each of the specific concerns raised by the agency.

***Paragraph 39, Section (i): Why sufficient supply deadline will not be met.***

As Ford Motor Company (“Ford”) was lead engineering design and manufacturer of the 2007-2009 MY B-Series model equivalent to 2007-2009 MY Ford Ranger produced vehicles, Mazda is wholly dependent on Ford for design, development, validation, and supply of service parts, including air bag inflator replacements, to support Takata recalls. Ford has informed Mazda an estimated time to provide replacement parts is by December 2017. The reasons stated for this timing are due to development periods and subsequent testing requirements necessary to assure safe and proper operation of the replacement dual-stage, air bag inflators currently targeted to use a non-Phased Stabilized Ammonium Nitrate (“non-PSAN”) propellant produced and manufactured by Autoliv. See Appendix – Figure 1 for reference of timing provided by Ford.

***Paragraph 39, Section (ii): Remedy part selection, validation, development process used.***

Mazda is following Ford’s lead on the remedy part selection for recall replacement parts. As the decision was made to use a non-PSAN based inflator propellant, a new company was selected as the designated supplier. Because the supplier is new, the process of design, development, validation, and manufacturing of service parts was restarted from the beginning and required additional time to perform the necessary due diligence on assurance of the replacement parts safe function and operation. Ford can provide specific details upon request.

***Paragraph 39, Section (iii): Steps taken to obtain sufficient supply.***

Mazda has been in close contact with Ford on timing for replacement parts availability since the ACRO was issued on December 9, 2016. Ford has provided the necessary information which Mazda has studied and utilized in making the decision to file this extension based on replacement parts supply availability.

**Paragraph 39, Section (iv): How many replacement parts (number and percentage ready for launch).**

The following table represents replacement parts anticipated to be available by the Supply and Remedy Launch Deadline for Priority Group 5. "Affected Units" shown represents Zone "A" volumes reported in Defect Information Report dated March 30, 2017.

Table 1 – Priority group 5 models and replacement parts available by Supply and Launch Deadline:

Model Year(s)	Make	Model	Position	Zone	Supply & Launch Deadline	Affected Units	*Number of Parts Available	*Percent Available at Launch
2007-2009	Mazda	B-Series	Passenger	A	June 30, 2017	4,081	0	0%

*\*Note – Recall replacement parts availability provided by Ford Motor Company.*

**Paragraph 39, Section (v): Specific extension request date.**

Mazda formally requests an extension date not to exceed January 31, 2018 to launch the 2007-2009 MY B-Series vehicles, passenger side air bag inflators in Zone "A" as assigned in ACRO-Annex A, Priority Group 5. Mazda anticipates receiving a sufficient supply of replacement parts from Ford during the month of December 2017. Based on supply chains, redistribution processing time periods, and internal recall processing, Mazda anticipates launching the safety campaign by the requested extension date in this submission.

**Key Terms**

- Ford: Ford Motor Company
- Mazda: Mazda Motor of America, Inc. dba Mazda North American Operations (MNAO)
- Non-PSAN: The term used to represent other inflators that do not use propellant subject to the Takata "PSAN" based inflator recalls
- PSAN: Abbreviation for phase-stabilized ammonium nitrate

**AFFIDAVIT**

I, Robert T. Davis, am the Senior Vice President, Special Assignments of Mazda Motor of America, Inc. dba Mazda North American Operations. I declare under penalty of perjury that I have undertaken and directed appropriate actions to assure that the answers provided in this submission are complete and correct, that I have directed the resources appropriately of Mazda Motor Corporation and Mazda Motor of America, Inc. dba Mazda North American Operations to be utilized diligently for information and responsive in requesting this Notice of Anticipated Shortage and Request for Extension (“Extension Request”) for Priority Group #5, as required in the Third Amendment to the Coordinated Remedy Order (ACRO), Paragraph 39, and that, to the best of my knowledge, the answers to the inquiries provided to NHTSA respond completely and correctly to this “Extension Request.”

Executed on May 15, 2017 at Irvine, California.



---

Robert T. Davis  
Senior Vice President, Special Assignments  
Mazda North American Operations





2007-2008

August 15, 2017

Mr. Stephen Ridella, Director  
Office of Defects Investigation  
National Highway Traffic Safety Administration  
1200 New Jersey Ave, SE  
Washington, D.C. 20590

Ms. Kerry Kolodziej, Acting Assistant Chief Counsel for Litigation and Enforcement  
Office of General Counsel  
National Highway Traffic Safety Administration  
1200 New Jersey Ave, SE  
Washington, D.C. 20590

**Subject: Notice of Anticipated Shortage and Request for Extension ("Extension Request") for Priority Group #6**

Dear Mr. Ridella and Ms. Kolodziej:

Mazda Motor of America, Inc. dba Mazda North American Operations ("Mazda") respectfully submits this Extension Request for Priority Group #6, pursuant to the Third Amendment to the Coordinated Remedy Order ("ACRO") Paragraph 39, sections (i) through (v).

The applicable model is the 2007-2008 MY B-Series, equipped with passenger side air bag inflators in Zone "Non-A" as assigned by ACRO-Annex A. No other Mazda vehicles in Priority Group #6 are affected by this submission. Additionally, a signed affidavit by a responsible company officer is included.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Rob Milne".

Rob Milne  
Director, Takata Action Team  
Mazda North American Operations

Cc: E. Mykytiuk, NHTSA  
S. Hench, Trial Attorney for Litigation and Enforcement

The affected model includes 2007-2008 MY B-Series, passenger side airbags in Zone Non-A, currently assigned to Priority Group 6 in ACRO-Annex A. The following sections provide explanations in response to each of the specific concerns raised by the agency.

***Paragraph 39, Section (i): Why sufficient supply deadline will not be met.***

As Ford Motor Company (“Ford”) was lead engineering design and manufacturer of the 2007-2008 MY B-Series model equivalent to 2007-2008 MY Ford Ranger produced vehicles, Mazda is wholly dependent on Ford for design, development, validation, and supply of service parts, including air bag inflator replacements, to support Takata recalls. Ford has informed Mazda an estimated time to provide replacement parts is by December 2017. The reasons stated for this timing are due to development periods and subsequent testing requirements necessary to assure safe and proper operation of the replacement dual-stage, air bag inflators currently targeted to use a non-Phased Stabilized Ammonium Nitrate (“non-PSAN”) propellant produced and manufactured by Autoliv. See Appendix – Figure 1 for reference of timing provided by Ford.

***Paragraph 39, Section (ii): Remedy part selection, validation, development process used.***

Mazda is following Ford’s lead on the remedy part selection for recall replacement parts. As the decision was made to use a non-PSAN based inflator propellant, a new company was selected as the designated supplier. Because the supplier is new, the process of design, development, validation, and manufacturing of service parts was restarted from the beginning and required additional time to perform the necessary due diligence on assurance of the replacement parts safe function and operation. Ford can provide specific details upon request.

***Paragraph 39, Section (iii): Steps taken to obtain sufficient supply.***

Mazda has been in close contact with Ford on timing for replacement parts availability since the ACRO was issued on December 9, 2016. Ford has provided the necessary information which Mazda has studied and utilized in making the decision to file this extension based on replacement parts supply availability.

**Paragraph 39, Section (iv): How many replacement parts (number and percentage ready for launch).**

The following table represents replacement parts anticipated to be available by the Supply and Remedy Launch Deadline for Priority Group 6. "Affected Units" shown represents Zone "Non-A" volumes reported in Defect Information Report dated May 9, 2017.

Table 1 – Priority group 6 models and replacement parts available by Supply and Launch Deadline:

Model Year(s)	Make	Model	Position	Zone	Supply & Launch Deadline	Affected Units	*Number of Parts Available	*Percent Available at Launch
2007-2008	Mazda	B-Series	Passenger	Non-A	September 30, 2017	957	0	0%

*\*Note – Recall replacement parts availability provided by Ford Motor Company.*

**Paragraph 39, Section (v): Specific extension request date.**

Mazda formally requests an extension date not to exceed January 31, 2018 to launch the 2007-2008 MY B-Series vehicles, passenger side air bag inflators in Zone "Non-A" as assigned in ACRO-Annex A, Priority Group 6. Mazda anticipates receiving a sufficient supply of replacement parts from Ford during the month of December 2017. Based on supply chains, redistribution processing time periods, and internal recall processing, Mazda anticipates launching the safety campaign by the requested extension date in this submission.

**Key Terms**

- Ford: Ford Motor Company
- Mazda: Mazda Motor of America, Inc. dba Mazda North American Operations (MNAO)
- Non-PSAN: The term used to represent other inflators that do not use propellant subject to the Takata "PSAN" based inflator recalls
- PSAN: Abbreviation for phase-stabilized ammonium nitrate

**AFFIDAVIT**

I, Robert T. Davis, am the Senior Vice President, Special Assignments of Mazda Motor of America, Inc. dba Mazda North American Operations. I declare under penalty of perjury that I have undertaken and directed appropriate actions to assure that the answers provided in this submission are complete and correct, that I have directed the resources appropriately of Mazda Motor Corporation and Mazda Motor of America, Inc. dba Mazda North American Operations to be utilized diligently for information and responsive in requesting this Notice of Anticipated Shortage and Request for Extension (“Extension Request”) for Priority Group #6, as required in the Third Amendment to the Coordinated Remedy Order (ACRO), Paragraph 39, and that, to the best of my knowledge, the answers to the inquiries provided to NHTSA respond completely and correctly to this “Extension Request.”

Executed on August 15, 2017 at Irvine, California.



---

Robert T. Davis  
Senior Vice President, Special Assignments  
Mazda North American Operations



**APPENDIX**

Figure 1 – Ford Ranger / Mazda B-Series Dual Stage Passenger Airbag Design / Development / Validation Test Timing

Page 5 of 5

Description	Duration	Start Date	End Date	Timeline Grid (Columns: Weekly dates from 4/5/16 to 9/12/17)																																																																									
				4/5/16	4/12/16	4/19/16	4/26/16	5/3/16	5/10/16	5/17/16	5/24/16	5/31/16	6/7/16	6/14/16	6/21/16	6/28/16	7/5/16	7/12/16	7/19/16	7/26/16	8/2/16	8/9/16	8/16/16	8/23/16	8/30/16	9/6/16	9/13/16	9/20/16	9/27/16	10/4/16	10/11/16	10/18/16	10/25/16	11/1/16	11/8/16	11/15/16	11/22/16	11/29/16	12/6/16	12/13/16	12/20/16	12/27/16	1/3/17	1/10/17	1/17/17	1/24/17	1/31/17	2/7/17	2/14/17	2/21/17	2/28/17	3/6/17	3/13/17	3/20/17	3/27/17	4/3/17	4/10/17	4/17/17	4/24/17	5/1/17	5/8/17	5/15/17	5/22/17	5/29/17	6/5/17	6/12/17	6/19/17	6/26/17	7/3/17	7/10/17	7/17/17	7/24/17	7/31/17	8/7/17	8/14/17	8/21/17	8/28/17
Ford Ranger / B series Passenger Side Inflat Development Time	375 Days	4/5/16	9/12/17																																																																										
Order Modules	133 days	8/10/16	12/13/16																																																																										
Ford Linear Imact Testing (3 Rounds, 5 each round - if requ	6 days	1/16/17	1/23/17																																																																										
Vehicle Crash Safety Testing	60 Days	1/16/17	4/10/17																																																																										
Out of Position Testing (24 Modules: 3 Runs 8 Modules each)	28 Days	2/2/17	3/14/17																																																																										
Order Parts for Testing	10 Days	2/2/17	2/16/17																																																																										
Conduct Out of Position Testing	8 Days	2/23/17	3/3/17																																																																										
Sied Testing (16 Modules: 2 Runs of 8 Modules each as required)	47 Days	2/2/17	4/10/17																																																																										
Order Parts for Testing	10 Days	2/2/17	2/16/17																																																																										
Conduct Sied Testing	19 Days	3/14/17	4/10/17																																																																										
Design Validation (DV) Testing (64 Deployments)	32 Days	3/21/17	5/4/17																																																																										
Base Line (14 Tests)	11 Days	3/21/17	4/5/17																																																																										
Life Cycle Parts (12 Tests)	32 Days	3/21/17	5/4/17																																																																										
Heat Aged Parts (12 Tests)	30 Days	3/21/17	5/2/17																																																																										
Margin Parts (6 Tests)	9 Days	3/21/17	4/3/17																																																																										
Production Tooling	77 Days	4/25/17	8/10/17																																																																										
Production Validation Testing (18 Deployments)	13 Days	8/24/17	9/12/17																																																																										
VPP PPAP Dates	8 Days	8/31/17	9/12/17																																																																										