

Honda admits failures in Takata airbag fiasco

Senators grill auto executives and NHTSA's Friedman on airbag recalls, fatal defects



From left, Hiroshi Shimizu of Takata, Rick Schostek of Honda, and Scott Kunselman of Chrysler, spent about two hours before the Senate committee today.

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A Honda executive told Congress today that the company failed to properly notify federal regulators of some crashes in which airbags made by Takata Corp. exploded and to clearly warn customers of the danger some vehicles could pose.

He also acknowledged that the automaker still doesn't know for sure the extent of the problem but said it is working to find out and to make repairs as quickly as possible.

The executive, Rick Schostek, said he understands why consumers could be confused about whether they need to get their vehicle repaired. At one point, he struggled to respond when one senator asked if his daughter is safe driving her 2007 Honda Civic, which has not been recalled.

But Schostek generally took responsibility for Honda's role in the crisis and expressed a willingness to work with regulators and consumers -- offering loaner vehicles to anyone who can't get their airbag replaced quickly due to parts shortages.



Takata's Hiroshi Shimizu did not directly answer several questions asked by the committee, including whether the company supports NHTSA's call for a national recall.

Takata on defense

By contrast, senators got more defensive responses from a Takata executive and the head of the National Highway Traffic Safety Administration.

"And we have got to get out of this defensive crouch about liability litigation, and get into an offensive position about making sure drivers are safe," said U.S. Sen. Claire McCaskill, D-Mo.

McCaskill compared the situation to General Motors' failure to recall faulty ignition switches for more than a decade, attributing both matters in part to "too many lawyers ...trying to avoid litigation."

The hearing came two days after NHTSA abandoned its stance that a regional recall of many Takata airbag inflators was sufficient. Instead, the agency called on automakers to expand campaigns nationally for driver-side airbags.

The agency had previously said only airbags in states and territories with extremely high humidity, such as Florida, Puerto Rico and the U.S. Virgin Islands, were susceptible to rupture, a flaw that can send a potentially lethal spray of metal fragments toward vehicle occupants.

It has not pushed for a wider recall of passenger airbags, which account for the majority of the defective inflators.

"That's based on the data," NHTSA's deputy administrator, David Friedman, said during today's hearing before the Senate Committee on Commerce, Science and Transportation. "If I have no information about a reasonable risk outside those areas, then I'm unable to force the automakers to recall outside those regional areas."

The problem has been linked to five deaths, several of which occurred outside the high-humidity regions. Automakers have recalled more than 16 million vehicles globally since 2008, according to Reuters' estimates, and it's unclear how many vehicles could be included in expansions of the regional recalls. American Honda, Takata's biggest customer, has recalled 7.6 million vehicles in the U.S. so far.

"This could be a problem of gargantuan proportions that is going to need the aggressiveness of the federal regulator to try to protect the public," said Sen. Bill Nelson, D-Fla., who chaired the hearing.

Nelson described each potentially defective airbag as the equivalent of a "live hand grenade in front of a driver and a passenger."

Victim testifies

An Air Force lieutenant, Stephanie Erdman, fought tears while testifying about severe injuries she sustained when her 2002 Civic was involved in what was otherwise a “moderate” crash in the Florida Panhandle last fall.

“Shrapnel from my car’s airbag inflator shot through the airbag cloth and embedded in my right eye and neck,” Erdman said. “I was instantly blind on my right side. And then I felt gushing blood. It was terrifying. I thought I was going to bleed out.”

Hiroshi Shimizu, Takata’s senior vice president for global quality assurance, began his testimony by reading a written statement saying the company was “deeply sorry” about each of the deaths and injuries linked to its airbags. (He skipped over saying Takata was “anguished” by the incidents, as the prepared testimony stated.)

Shimizu did not directly answer several questions asked by the committee, including whether the company supports NHTSA’s call for a national recall. “It is hard for me to answer yes or no,” he told Sen. Ed Markey, D-Mass.

“It is not hard for you to answer yes or no,” Markey responded.

After Shimizu continued to hesitate, Markey interrupted: “I’m going to take that as a no. I just think you’re plain wrong here. It’s very disturbing ... Your company is making a big mistake.”

Shimizu said Takata still makes its inflators with ammonium nitrate, a potentially unstable compound that few if any of its competitors use. He said the company has moved some production from Mexico to Germany so it can build more replacement inflators in Mexico, and that it has made several changes to its manufacturing process to improve quality and weed out flawed inflators.

He denied that Takata officials knew about the problem sooner than they have admitted or ignored evidence that its inflators were dangerous.

Chrysler testimony

Chrysler Group’s top safety official, Scott Kunselman, said the company knows of only one injury in its vehicles caused by a ruptured airbag inflator. It settled with the victim after the September 2013 crash, but Kunselman denied an accusation by Sen. Richard Blumenthal, D-Conn., that the deal concealed critical evidence about the flaw.

Honda’s Schostek offered a similar denial, saying the company had given information to NHTSA about crashes for which it reached settlements.

Kunselman said Chrysler would notify vehicle owners who need to get their inflators replaced next month, to which several senators said the company needed to act sooner.

Erdman said she took her Civic to a Honda dealer for service three times after it was recalled but that the dealer never made the repair or informed her about it. For that, Schostek apologized repeatedly.

"We failed Lt. Erdman, and the dealer failed Lt. Erdman," he said. "We did not effectively get word to her about her recalled vehicle. ... To our everlasting regret, we missed those opportunities."

45 injuries, 4 deaths

Schostek, an executive vice president with Honda North America, said the company knows of 45 injuries and four deaths from ruptured inflators in its vehicles. He said 43 of those injuries and all four deaths relate to manufacturing concerns reported by Takata that led to four nationwide recalls announced from 2008 through 2011.

He said Honda did not meet its obligations under the Transportation Recall Enhancement Accountability and Documentation Act, which requires automakers to report crashes in which drivers or insurance companies allege a defect caused injuries or deaths. Honda plans to give NHTSA more information about that matter by next Monday.

Schostek said Honda is "actively considering" more national recalls but is still investigating the problem to understand whether further action is warranted. Honda wants to ensure everyone who could be affected by the defect is warned and gets their vehicle fixed as soon as they can, he said.

He said: "We urge customers to get those vehicles repaired, because there is a risk."