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NHTSA faces dilemma on expediting Takata recalls

Regulator could issue order, but inflator capacity not enough

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WASHINGTON -- As U.S. auto safety regulators mull an order to speed the Takata airbag recalls, they face a vexing problem: capacity.

It's unclear whether suppliers can speed production of the inflators beyond their current expansion plans, or how quickly they could do so, making any order to accelerate the Takata recalls much easier said than done.

Scott Upham, a vice president at the Reputation Institute and an airbag industry analyst who has covered the sector for decades, says Takata already is racing to produce more inflators, and competitors that are expanding capacity will need at least several months to provide more inflators.

Takata is producing 450,000 replacement parts per month and plans to expand output to 900,000 per month by September.

"That's not quick enough because there are literally millions of people waiting for replacement parts, and it takes a long time to get some of these other suppliers up to speed," Upham said. The National Highway Traffic Safety Administration "is kind of stuck between a rock and a hard place."

As of late February, NHTSA says that just under 2 million of the 17 million vehicles in the United States recalled for Takata airbag inflators that may explode in a crash have been repaired. Yet drivers have continued to be injured -- and killed -- while the investigation and recall process have played out.

Carlos Solis IV, for example, died after a Jan. 18 crash in Texas in which the driver-side Takata airbag inflator in his 2002 Honda Accord exploded and sent metal shrapnel into his neck and chest.

The risk of additional injuries and deaths has prompted NHTSA to consider invoking a little-known power: the ability to order automakers and suppliers involved in the Takata recalls to increase the availability of replacement parts, and force other suppliers to step up to the table.

Such a move would be unprecedented, which reflects the unique situation facing NHTSA, says David Strickland, an attorney at Venable LLP and a former NHTSA administrator.

Strickland says that during his four years as administrator, such an order never was needed, noting that companies generally agree to speed a recall if NHTSA feels it is needed.

If a company refuses an order, it can be fined by the agency, Strickland said.

"As far as I know, they'll have the ability to execute more and more aggressive fines," he said. "I don't think that there's anything more the agency can do."

Meanwhile, rival airbag suppliers have stepped up with plans to produce replacement inflators. Autoliv expects to start producing replacement inflators early this summer. TRW Automotive has said it will produce them late this year or early next year, and Daicel Corp. intends to build a new plant in Arizona early next year.

Slow process

Upham says Takata's competitors have ample available floorspace in their production facilities to produce replacement inflators, but the bottleneck lies in procuring the tooling and equipment required to build the inflators using Takata's decade-old design, Upham says.

That process would take several months, and inflators must be custom-tuned to each vehicle they're going into as well, which also is a lengthy process, he says.

Before it can order that the recalls be sped up, NHTSA has to consider the ability of the industry to ramp up production, NHTSA spokesman Gordon Trowbridge said during a Feb. 20 briefing on the Takata recalls.

Trowbridge said, "This is not a simple question, but if our analysis shows that we can use this tool -- which NHTSA has not used in the past -- to make people safer, we will do so."



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