

# Automotive News

## U.S. orders massive expansion of Takata recalls

Phased action will add up to 40 million inflators

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**U.S. auto safety regulators ordered a dramatic expansion of the Takata airbag inflator recalls today, more than doubling the number of hazardous parts covered by the callbacks in a move that the auto industry will spend the next several years sorting out.**

WASHINGTON -- U.S. auto safety regulators ordered a dramatic expansion of the Takata airbag inflator recalls today, more than doubling the number of hazardous parts covered by the callbacks in a move that the auto industry will spend the next several years sorting out.

The action **announced today** adds to the pressure on Takata, which is already struggling to cope with demand for replacement inflators while it faces defections from key customers.

The National Highway Traffic Safety Administration said an additional 35 million to 40 million Takata-made inflators must now be replaced, on top of the nearly 29 million inflators already covered by the largest and most complex recall campaign in U.S. history.

The expansion covers all Takata inflators using an ammonium nitrate propellant that lacks a chemical additive to prevent moisture absorption, known as a desiccant.

After reviewing three investigations into the root cause of the defect by Honda, Takata and a group of 10 automakers, NHTSA confirmed today that several years of exposure to moist air and fluctuations between high and lower temperatures degrades the ammonium nitrate propellant. When degraded, the propellant can explode with too much force when an airbag deploys, rupturing its container and spraying vehicle occupants with metal shards.

The non-desiccated ammonium nitrate propellant degrades even in the absence of manufacturing defects, and it degrades faster in warmer regions with high humidity, NHTSA said. According to Harold Blomquist, a Ph.D.-holding chemistry expert hired by NHTSA to review the root cause studies, the defect can appear within six to 25 years from when the inflator was manufactured.

NHTSA says the inflators do not pose an “unreasonable risk to safety” until they reach “a certain level of propellant degradation.”

The defect has been linked to 10 U.S. deaths and more than 100 injuries over the last several years, and the death toll has continued to mount.

Early today, Honda Motor Co. confirmed two additional fatalities in April and May, both in Malaysia, involving a driver-side Takata airbag rupture.

“The science clearly shows that these inflators become unsafe over time, faster when exposed to humidity and variations of temperature,” NHTSA Administrator Mark Rosekind said in a statement.

About 50 million additional Takata inflators that use ammonium nitrate propellant with a chemical drying agent that absorbs moisture, known as a desiccant, could still be recalled, NHTSA officials said today. Takata must prove they are safe by the end of 2019 or face a NHTSA recall order.

The expansion primarily affects passenger-side inflators not covered by previous recalls. It will also cover inflators in vehicles made by Jaguar-Land Rover, Tesla Motors and Fisker Automotive for the first time, NHTSA officials said. Fourteen other auto companies, including American Honda, Ford, Toyota, Mercedes-Benz, BMW, General Motors, Nissan and Fiat-Chrysler already are affected by the recalls.

The expansions announced today will take place in five phases prioritized by risk, starting in May and continuing through December 2019. Older vehicles in hot, humid climates will receive higher priority for replacement parts than newer vehicles in less-humid climates.

### **More liabilities**

The expansion is another damning development for Takata, which has been accused by NHTSA and Honda of manipulating inflator testing data. Already, automakers are pushing Takata to the sidelines as they line up replacement inflators from competitors including Autoliv, TRW and Daicel.

Scott Upham, president of Valient Market Research, says that automakers aim to have about 90 percent of replacement inflators sourced from suppliers other than Takata.

“This is a death blow to the airbag inflator side of Takata,” Upham said.

**In a statement**, Takata said it is unaware of any ruptures reported in the inflators covered by the expansion, either in the field or in lab testing. It agreed to the larger recall in deference to the “shared interest” of Takata and NHTSA for “future safety and restoring public confidence.”

Shigehisa Takada, CEO of the embattled supplier, said in the statement that the company’s actions “demonstrate our total commitment to safety and our intention to be part of the solution and to restore the confidence of the driving public.”

During a press conference today, Rosekind praised Takata’s cooperation in the expansion.

### **Bankruptcy possible?**

A bankruptcy reorganization in which Takata sheds its inflator-making business could allow it to survive as a smaller, leaner supplier, like Delphi or Lear Corp., Upham said.

“It’s going to force them into bankruptcy unless they can get a consortium of Japanese banks to bail them out,” Upham said.

Takata critics and have long viewed ammonium nitrate, a volatile explosive used in open-pit mining, as the key factor behind the deadly defect. Some lawmakers have called on Takata to recall all inflators containing ammonium nitrate; that's about 85 million inflators in the U.S., according to NHTSA.

As of April 22, the 14 automakers involved in the recalls had replaced some 8.17 million defective Takata inflators.



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