

Takata and NHTSA reach agrement on airbag recall

President Takada at a press conference

Takata Corp. announced on Nov. 4 that it has entered into a consent order agreement with the National Highway Traffic Safety Administration (NHTSA) concerning the series of Takata airbag recalls. Under the agreement, the Japanese parts supplier is to pay a penalty of 70 million U.S. dollars (approximately 8.5 million yen) and may be subject to additional penalties of up to 130 million U.S. dollars (approx. 12.78 billion yen) if it is found to further violate U.S Motor Vehicle Safety Act. The consent order agreement indicates that Takata and NHTSA have bridged their differences over Takata's hitherto violations. However, mounting costs and lawsuits related to Takata's recent recalls mean the company's business outlook is uncertain, especially when it comes to the production of-and new orders for-airbag inflators, which were at the core of the recent crisis.

The consent order officially sets 70 million dollars as the penalty to be paid by Takata (out of a possible 200 million dollars). Takata is likely to record that amount as an extraordinary loss for the April-September period of its fiscal year 2015, the results of which are scheduled to be announced on Nov. 6.

Takata also agreed not to accept new orders for its PSAN inflators, which use ammonium nitrate, for vehicles intended for use in the United States, as well as to gradually end the supply of such inflators by the end of 2018



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(excluding replacement inflators).

The agreement between Takata and NHTSA only covers the American market. However, Takata President Shigehisa Takada revealed at a press conference on Nov. 4 that the company will cease using PSAN inflators in other markets, as well, by saying, "We will move forward in the same way in other regions under the same timeframe, by way of discussions with automakers."

It has been Takata's insistence that PSAN inflators, used only by Takata, are safe. Although Takata had indicated its intention to continue using phase-stabilized ammonium nitrate (PSAN) inflators, it changed its position in consideration of the strong stance shown by NHTSA and the apparent intentions of automakers. President Takada said, "We still recognize them as safe, but our customers have various ways of looking at

things."

The company said it will start using guanidine nitrate, which is what other airbag suppliers use, the as gas generator in its airbag inflators. It plans to source the guanidine nitrate from other companies, as well as produce some

Takata airbag recall status

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Recall submitted by the	Total units in	Repaired	Not repaired	Repair rate
end of Sept. 2015	Japan	units		(%)
Recalls based on	2,527,042	2,134,063	392,979	84.4
specific cause				
Preventive recalls	7,260,430	2,603,218	4,657,212	35.9
Total (14 companies)	9,787,472	4,737,281	5,050,191	48.4

Note: After Oct. 1, 2015, additional vehicles subject to recalls based on a specific cause and repaired numbered 12 and additional vehicles subject to preventive recalls and repaired numbered 310,692, bringing the total number of vehicles addressed to 10,098,176 units, as of the end of October 2015.





in-house for use in specific vehicle models. But most of its in-house gas-generator production, which takes place in the U.S. state of Washington, still centers on ammonium nitrate. For Takata to be able to continue in the airbag business, it needs to improve how it communicates with automakers, including in the case of recalls, and to secure a stable system for producing guanidine nitrate. (*Daily Automotive News, Nov, 5 issue*)

Takata airbag repair rate 48.4% at the end of October

According to the Ministry of Land, Infrastructure, Transport and Tourism, out of a total of 9,787,472 vehicles subject to the Takata airbag recall, 48.4 percent have been repaired as of the end of October. This is 3.1 percentage points higher than the previous month and means that nearly half the vehicles concerned have been repaired. Meanwhile, the first injury related to a faulty airbag has been reported in Japan. MLIT intends to urge automakers to accelerate their recall and repair actions. *See table below*.

Revised international standards to allow cars with no mirrors



A concept vehicle (the Lexus LF-FC) featuring equipment in anticipation of future changes in vehicle regulations is displayed at the Tokyo Motor Show.

As early as June next year, approval is be given to vehicles with side mirrors.

The UNECE World Forum for Harmonization of Vehicle Regulations (WP29), an international regulatory forum for automobiles, is expected to approve standards for camera systems that can be used instead of rearview mirrors. The new standards will come into effect force as early as in June next year, after a period of notification to WP29 member countries. The Japanese Ministry of Land, Infrastructure, Transport and Tourism will revise Road Traffic Law safety standards and then introduce the new WP29 standards, which are likely to affect automobile design and help improve vehicle fuel economy and safety.

The new standards will be a result of revising the forum's "Regulation

What is WP29?

WP29 is an international regulatory forum for automobiles under the auspices of the United Nations Economic Commission for Europe (UNECE). It consists of groups focusing on exhaust emissions and energy, lightings, No. 46" (R46), which covers vehicle rearview mirrors, including side mirrors, and also governs regulations of the front left side and the rear of certain types of vehicles. Mirrors mounted on the front left side of vehicles can already be replaced by cameras. By revising R46, camera systems will be able to replace all conventional mirrors. Technical requirements will include camera brightness and contrast, as well as the number and locations of monitors for each camera. The revision to R46 will apply to passenger cars, trucks and buses, but not include motorcycles.

Members to the UNECE 1958 Agreement (mutual recognition agreement) are to revise their domestic laws and then gradually introduce the revised standards. MLIT will also implement regulatory

brakes, etc., in which specialists representing member countries discuss integrated regulations. Two agreements-- Agreement for Mutual Recognition of Approvals for Automotive Equipment (1958 agreement) and the Global Technical Regulations for Wheeled Vehicles (1998 agreement)—govern standards set by WP29. For Japan, the more important of the two is the 1958 CO2 Reduction Effect (based on Super-Line System)

The use of Reuse Parts saved

3,484 tons of CO₂ emissions in October 2015

The reference figure represents the difference of carbon dioxide (CO2) emissions at the vehicle repair using genuine (new) parts and recycled parts.*

*: Based on "Green Point System", which was jointly developed by the Japan Automotive Parts Recyclers Association and Waseda University Environmental Research Institute using a life cycle assessment (LCA) technique.

changes in safety standards so that new vehicles can be certified in accordance with the new regulations immediately after the revision goes into effect. Current safety standards do not permit the use of mirrorless vehicles. Such will no longer be the case under the new standards.

Side-mirrorless vehicles, without projections on their side, are expected to reduce the risk of injury to pedestrians, as well as to improve fuel efficiency at cruising speeds due to wind resistance.

Such cameras would have special merits for large trucks and buses, as well, as such vehicles currently have built-in rear-assist and front left down-view mirrors that have a risk of coming into contact with objectives and are expensive to replace if damaged. (Daily Automotive News, Nov. 10 issue)

agreement, which is joined by 52 countries and regions and has so far led to the certification of 137 regulations. As the "R46" standards, it is automatically approved for use in member countries. Meanwhile, the 1998 agreement is joined by 35 countries and regions and has so far led to the creation of 16 regulations. (Daily Automotive News, Nov. 10 issue)



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