



U.S. Department
of Transportation

**National Highway
Traffic Safety
Administration**

JUL 23 2015

1200 New Jersey Avenue SE.
Washington, DC 20590

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Musiol
Director, Product Integrity
Key Safety Systems, Inc.
7000 19 Mile Road
Sterling Heights, Michigan 48314

NVS-212sly
PE15-027

Dear Mr. Musiol:

This letter is to inform you that the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) has opened a Preliminary Evaluation (PE15-027) to investigate allegations of air bag inflator ruptures involving driver air bag inflators manufactured by ARC Automotive, Inc. (ARC). To assist us at this stage of the investigation, we are requesting certain information concerning all driver air bag modules manufactured by Key Safety Systems, Inc. (KSS) utilizing hybrid air bag inflators manufactured by ARC that were subsequently supplied to an automobile manufacturer (OEM) for incorporation in their completed passenger vehicles.

Unless otherwise stated in the text, the following definitions apply to this information request:

- **Subject component:** Driver air bag modules using hybrid air bag inflators manufactured by ARC that were subsequently supplied to an automobile manufacturer to be installed in the OEM's completed passenger vehicles. This would include driver air bag modules shipped to OEMs out of the country where it is possible that the completed passenger vehicle could be shipped to the U.S. for sale in the U.S. market. This would, also, include driver air bag modules shipped to OEMs out of the country where it is indeterminable whether or not the OEM's completed passenger vehicle could be sent to the U.S. for sale in the U.S. market. This does not include driver air bag modules shipped to OEMs out of the country who do not import completed passenger vehicles for sale in the U.S. market.
- **Subject Production Time Frame:** June 2000 up to October 2004. This time frame is based on the dates of manufacture of the two inflators known to have ruptured in field incidents and considers subsequent shipping and manufacturing related delays.

- **Alleged Defect:** Rupture of a driver air bag inflator during frontal air bag deployment resulting in metal fragments being propelled into the passenger compartment.

- **KSS:** Key Safety Systems, Inc., all of its past and present officers and employees, whether assigned to its principal offices or any other locations, including all of its divisions, subsidiaries (whether or not incorporated) and affiliated enterprises and all of their headquarters, regional, zone and other offices and its employees, and all agents, contractors, consultants, attorneys and law firms and other persons engaged directly or indirectly (e.g., employee of a consultant) by or under the control of KSS (including all business units and persons previously referred to), who are or, in or after 1995, were involved in any way with any of the following related to the alleged defect in the subject component:
 - a. Design, engineering, analysis, modification or production (e.g., quality control);
 - b. Testing, assessment or evaluation;
 - c. Consideration, or recognition of potential or actual defects, reporting, record-keeping, and information management, (i.e., complaints, field reports, warranty information, part sales), analysis claims or lawsuits; or
 - d. Communication to, from or intended for customer representatives, or other field locations, including but not limited to people who have the capacity to obtain information from customers.

- **Document:** “Document(s)” is used in the broadest sense of the word and shall mean all original written, printed, typed, recorded, or graphic matter whatsoever, however produced or reproduced, of every kind, nature, and description, and all non-identical copies of both sides thereof, including, but not limited to, papers, letters, memoranda, correspondence, communications, electronic mail (e-mail) messages (existing in hard copy and/or in electronic storage), faxes, mailgrams, telegrams, cables, telex messages, notes, annotations, working papers, drafts, minutes, records, audio and video recordings, data, databases, other information bases, summaries, charts, tables, graphics, other visual displays, photographs, statements, interviews, opinions, reports, newspaper articles, studies, analyses, evaluations, interpretations, contracts, agreements, jottings, agendas, bulletins, notices, announcements, instructions, blueprints, drawings, as-builts, changes, manuals, publications, work schedules, journals, statistical data, desk, portable and computer calendars, appointment books, diaries, travel reports, lists, tabulations, computer printouts, data processing program libraries, data processing inputs and outputs, microfilms, microfiches, statements for services, resolutions, financial statements, governmental records, business records, personnel records, work orders, pleadings, discovery in any form, affidavits, motions, responses to discovery, all transcripts, administrative filings and all mechanical, magnetic, photographic and electronic records or recordings of any kind, including any storage media associated with computers, including, but not limited to, information on hard drives, floppy disks, backup tapes, and zip drives, electronic communications, including but not limited to, the Internet and shall include any drafts or revisions pertaining to any of the foregoing, all other things similar to any of the foregoing, however denominated by KSS, any other data compilations from which information can be obtained, translated if necessary, into a

usable form and any other documents. For purposes of this request, any document which contains any note, comment, addition, deletion, insertion, annotation, or otherwise comprises a non-identical copy of another document shall be treated as a separate document subject to production. In all cases where original and any non-identical copies are not available, "document(s)" also means any identical copies of the original and all non-identical copies thereof. Any document, record, graph, chart, film or photograph originally produced in color must be provided in color. Furnish all documents whether verified by KSS or not. **If a document is not in the English language, provide both the original document and an English translation of the document.**

- **Other Terms:** To the extent that they are used in these information requests, the terms "claim," "consumer complaint," "dealer field report," "field report," "fleet," "good will," "make," "model," "model year," "notice," "property damage," "property damage claim," "rollover," "type," "warranty," "warranty adjustment," and "warranty claim," whether used in singular or in plural form, have the same meaning as found in 49 CFR 579.4.

In order for my staff to evaluate the alleged defect, certain information is required. Pursuant to 49 U.S.C. § 30166, please provide numbered responses to the following information requests. Insofar as KSS has previously provided a document to ODI, KSS may produce it again or identify the document, the document submission to ODI in which it was included and the precise location in that submission where the document is located. When documents are produced, the documents shall be produced in an identified, organized manner that corresponds with the organization of this information request letter (including all individual requests and subparts). When documents are produced and the documents would not, standing alone, be self-explanatory, the production of documents shall be supplemented and accompanied by explanation.

Please repeat the applicable request verbatim above the response. After KSS's response to the request, identify the source of the information and indicate the last date the information was gathered.

1. Identify all automobile manufacturing companies (OEM) to whom KSS provided the subject component during the subject production time frame. Separately, for each OEM (i.e., customer), provide the following additional information in a tabular format:
 - a. Customer name (i.e. Kia Motors);
 - b. Customer contact information including the name(s) and title(s) of a person(s) familiar with the subject components, address, phone number(s), email address(es) and any other pertinent information;
 - c. Customer part number;
 - d. KSS part number;
 - e. KS manufacturing location (including assembly line if pertinent);
 - f. Address the parts were shipped to;
 - g. Any information KSS possesses regarding the final stage user/OEM of the part number;

- h. Any information KSS possesses regarding the market (US or foreign) the part was intended for; and,
 - i. Total number of parts provided (for the manufacturing location in item e) by year of manufacture.
2. Describe in detail the search methods and search criteria used by KSS to identify the items in response to request 1.

Legal Authority for This Request

This letter is being sent to KSS pursuant to 49 U.S.C. § 30166, which authorizes NHTSA to conduct any investigation that may be necessary to enforce Chapter 301 of Title 49 and to request reports and the production of things. It constitutes a new request for information.

Civil Penalties

KSS's failure to respond promptly and fully to this letter could subject KSS to civil penalties pursuant to 49 U.S.C. § 30165 or lead to an action for injunctive relief pursuant to 49 U.S.C. § 30163. (Other remedies and sanctions are available as well.) The Vehicle Safety Act, as amended, 49 U.S.C. § 30165(a)(3), provides for civil penalties of up to \$7,000 per violation per day, with a maximum of \$35,000,000 for a related series of daily violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. This includes failing to respond completely, accurately, and in a timely manner to ODI information requests. The maximum civil penalty of \$7,000 per violation per day is established by 49 CFR 578.6(a)(3). The maximum civil penalty of \$35,000,000 for a related series of daily violations of 49 U.S.C. § 30166 is authorized by 49 U.S.C. § 30165(a)(3) as amended by § 31203(a)(1)(B) of the Moving Ahead for Progress in the 21st Century Act, Public Law 112-141.

If KSS cannot respond to any specific request or subpart(s) thereof, please state the reason why it is unable to do so. If on the basis of attorney-client, attorney work product, or other privilege, KSS does not submit one or more requested documents or items of information in response to this information request, KSS must provide a privilege log identifying each document or item withheld, and stating the date, subject or title, the name and position of the person(s) from, and the person(s) to whom it was sent, and the name and position of any other recipient (to include all carbon copies or blind carbon copies), the nature of that information or material, and the basis for the claim of privilege and why that privilege applies.

Confidential Business Information

All business confidential information must be submitted directly to the Office of Chief Counsel as described in the following paragraph and should not be sent to this office. In addition, do not submit any business confidential information in the body of the letter submitted to this office. Please refer to PE15-027 in KSS's response to this letter and in any confidentiality request submitted to the Office of Chief Counsel.

If KSS claims that any of the information or documents provided in response to this information request constitute confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4),

or are protected from disclosure pursuant to 18 U.S.C. § 1905, KSS must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 CFR Part 512, as amended, to the Office of Chief Counsel (NCC-111), National Highway Traffic Safety Administration, Room W41-227, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. KSS is required to **submit two copies of the documents containing allegedly confidential information and/or one copy of the documents from which information claimed to be confidential has been deleted or blueprints**. Please remember that the phrase "ENTIRE PAGE CONFIDENTIAL BUSINESS INFORMATION" or "CONTAINS CONFIDENTIAL BUSINESS INFORMATION" (as appropriate) must appear at the top of each page containing information claimed to be confidential, and the information must be clearly identified in accordance with 49 CFR 512.6. If you submit a request for confidentiality for all or part of your response to this IR, that is in an electronic format (e.g., CD-ROM), your request and associated submission must conform to the new requirements in NHTSA's Confidential Business Information Rule regarding submissions in electronic formats. *See* 49 CFR 512.6(c) (as amended by 72 Fed. Reg. 59434 (October 19, 2007)).

If you have any questions regarding submission of a request for confidential treatment, contact Otto Matheke, Senior Attorney, Office of Chief Counsel at otto.matheke@dot.gov or (202) 366-5253.

Due Date

KSS's response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by **August 7, 2015**. KSS's response must include all non-confidential attachments and a redacted version of all documents that contain confidential information. If KSS finds that it is unable to provide all of the information requested within the time allotted, KSS must request an extension from Scott Yon at (202) 366-0139 no later than five business days before the response due date. If KSS is unable to provide all of the information requested by the original deadline, it must submit a partial response by the original deadline with whatever information KSS then has available, even if an extension has been granted.

Please send email notification to Sharon Yukevich (sharon.yukevich@dot.gov) and to ODI_IRresponse@dot.gov when KSS send its response to this office and indicate whether there is confidential information as part of KSS's response.

If you have any technical questions concerning this matter, please contact Sharon Yukevich of my staff at (202) 366-4925.

Sincerely,

 7/23/15

Scott Yon, Chief
Vehicle Integrity Division
Office of Defects Investigation
Enforcement