

STATEMENT OF:
THE FORD MOTOR COMPANY

BEFORE THE:
SENATE COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION
SUBCOMMITTEE ON CONSUMER PROTECTION, PRODUCT SAFETY,
INSURANCE, AND DATA SECURITY

DATE:
TUESDAY, MARCH 20, 2018

PRESENTED BY:
DESI UJKASHEVIC, GLOBAL DIRECTOR
AUTOMOTIVE SAFETY OFFICE

Good afternoon. My name is Desi Ujkashevic. I am the Global Director of the Automotive Safety Office at Ford Motor Company.

Ford has more than 85,000 employees in the U.S., and we are proud to have more hourly employees and produce more vehicles in the U.S. than any other automaker. The safety of our customers is a top priority, and I appreciate the opportunity to discuss the Takata airbag inflator recall with you today.

As the members of the subcommittee know, the Takata airbag inflator recall is truly unprecedented. According to NHTSA's data, the Takata recall involves about 50 million inflators in 37 million vehicles. NHTSA is currently tracking Ford's replacement of 1.57 million inflators. Throughout this process, Ford has fully cooperated with the NHTSA, the Independent Takata Monitor, third party experts, and the rest of

industry, and Ford is absolutely committed to taking care of our customers and remedying the recalled vehicles.

Ford's strategy is to offer our owners non-Takata, non-ammonium nitrate based replacement parts. For the vehicles NHTSA has designated as the highest priority; the Mustang, Ranger, and GT, we now have non-Takata, non-ammonium nitrate replacement parts available. We will have final replacement parts for Ford vehicles lower on NHTSA's priority list in the coming months.

We are working closely with NHTSA and the Monitor to understand and implement the best practices for effectively encouraging owners to complete this recall on their vehicles. The Takata inflator recall demands an unprecedented level of outreach to owners and coordination with the Agency, the Monitor, our dealers, suppliers, and other automakers. This is a critical and collaborative effort that requires all of us across the

industry to learn from each other and work together. Today NHTSA tracks Ford's recall completion rate at 46%. We are not satisfied and we are committed to contacting every owner.

I am pleased to share with you some of our actions that have helped us to achieve the current completion rate and we are confident will lead to steady progress. Working with the Monitor and NHTSA, Ford has learned new and innovative ways to approach communicating with customers. Many of the traditional approaches such as first class mail are effective with certain populations while others are more responsive to new methods including social media, innovative calling strategies, and unique experiential marketing. In concert with the Monitor and other automakers, we are using data analytics to study the effectiveness of these new approaches and develop tailored responses to unique customer groups. Moving forward, we will continue to explore new approaches, share experiences and work

collaboratively with NHTSA and the entire industry to enhance our outreach.

Next, I would like to address our recent “Do Not Drive” warning. First and foremost, we are aware of two fatalities caused by Takata air bag inflators that ruptured when they deployed in 2006 Rangers. On behalf of everyone at Ford, I want to extend our deepest sympathies to those two families.

Second, I would like to assure the members of this Committee that we moved quickly to issue the “Do Not Drive” warning as soon as we understood there was a population of the 2006 Rangers with inflators that posed a much higher risk than other Takata inflators. When the first fatal accident occurred, all of the data, testing, and analyses were shared between NHTSA, Takata, and Ford. The collective judgment was that this event was consistent with the overall risk that Takata inflators posed.

Then, on December 22, 2017, the Friday before Christmas, we learned of second fatal accident involving a 2006 Ranger. We inspected the vehicle on December 27, determined that it was built on the same day as the inflator in the other fatal rupture, worked with Takata to understand their production records for these inflators, and then issued a “Do Not Drive” warning to owners of any Rangers with inflators built on that date.

We were not satisfied with our understanding of this problem. We worked daily with NHTSA and Takata running thousands of tests and evaluating the data. The test data clearly showed a production period of high-risker inflators causing Ford to immediately expand the “Do Not Drive” population to vehicles that may have received one of these higher-risk inflators. I am proud of how quickly our team responded and

worked cooperatively with Takata and NHTSA to help protect these owners.

Final replacement non-Takata, non-ammonium nitrate inflators for these vehicles are available, and Ford is persistently contacting owners, leveraging all the outreach learnings we have acquired throughout the Takata recall process, to urge them to stop driving their vehicle and contact their dealer to get it repaired. We will use the innovative approaches I mentioned earlier to reach every affected owner.

In summary, this is the largest, most complex automotive recall in history affecting many of the global auto manufacturers and suppliers. It has brought NHTSA, the Monitor, and the entire industry together to help solve this problem. As you have learned today, there has been much progress made and we recognize there is still more work to be done.

Ford remains committed to taking care of our customers and I can assure you that this Takata recall has the full commitment of our Company and the Company's leadership.

Thank you for attention to this topic and I look forward to addressing your questions.