

Response to Written Questions Submitted by Honorable Todd Young to Rick Schostek

*Question 1.* In your testimony, you highlight that Honda has been relentless in contacting consumers to alert them to the recall, and note that you have a 72% completion rate that exceeds the industry average.

To what do you attribute this success? Have you developed a message that you have found is particularly effective?

Response. Honda has refined its outreach approach to focus not only on the substance of its messaging to the consumer, but also on the methodology used to find and communicate with the consumer.

Data integrity is a key foundation of any successful outreach strategy. Honda works very closely with our data provider, IHS Markit, to ensure that the customer data we are using is accurate. This includes employing various data enhancement techniques as well as refreshing the data on a frequent basis.

Honda works with NHTSA, the Takata Monitor and the industry in continuously refining our recall messaging, and sharing outreach strategies and best practices for effective messaging. This includes the use of simple, easy-to-understand language that reinforces the fact that the recall will be performed for free. The great bulk of Honda's outreach also features bi- or multi-lingual messaging on consumer-facing printed communications.

Honda's success comes from employing a combination of complementary strategies rather than a single message or outreach tactic. This includes, but is not limited to, the use of email, text messaging, online advertising and social media posts. This messaging is delivered in a cadenced manner with varying messages and themes; for example, by occasionally including imagery of injuries sustained as a result of a ruptured inflator. Honda is constantly looking for creative ways to reinforce its outreach at a local level through use of respected sources to echo the importance of our recall message.

We have seen increased customer response, for example, when we augment existing outreach with a message from the customer's state DMV office. However, even that will not motivate many customers to seek this important repair. That is why Honda is a strong proponent of encouraging states to tie safety recall repair completion to vehicle registration renewal. DMV tie-in could assure 100% of registered vehicles are repaired within a single registration cycle – 1 year in most states; and more importantly, it would save lives.

*Question 2.* What lessons have you learned in the process of developing communications to consumers that motivates them to act?

Response. Honda has learned a significant amount during its outreach activities for the Takata recall. Customers will respond to different types of outreach in different ways, and there is no single outreach method that will motivate all consumers to bring their vehicles in for a repair. As outlined above, using accurate data, Honda continues to reach out to consumers using simple and concise messaging that is delivered across a wide variety of outreach tools.

Even employing this outreach together with other industry best practices, Honda has seen diminishing returns. This led to Honda's decision to conduct door-to-door canvassing for its highest risk vehicle population, often referred to as Alpha VINs. In the last year, Honda representatives have been knocking on the doors of every valid address associated with an on-the-road Alpha VINs. That outreach continues today.

Through Honda's combined outreach efforts to date, we have either repaired or otherwise accounted for 1.03 million Alpha VINs, leaving approximately 55,000, or 5.1% of the original population, subject to ongoing outreach efforts. This has proven to be a particularly challenging population, as even intense canvassing throughout the last year, often involving multiple visits to each Alpha VIN owner, has not yet motivates them to accept the repair. Frequently, these customers feel they are too busy, or simply believe the problem will not happen to them. In other cases, Honda has found that these customers have avoided taking part in the recall as a result of a perceived desire to avoid detection, often driven by personal or legal concerns. These customers in particular have proven to be suspicious of uninvited visitors offering free repair work on their vehicles. In a number of cases, canvassers have even been threatened with violence, which in some cases has required the involvement of local law enforcement.

Within reasonable limits, considering the safety of our canvassers first, Honda will continue to encourage these customers to avail themselves of the recall remedy. It remains important to understand that, despite the 100% completion target that NHTSA has promoted, the auto industry possesses no enforcement capacity to compel a customer to complete a repair.

*Question 3.* You also mention the importance of engaging other stakeholders in helping the industry identify and notify customers with outstanding airbag recalls. Can you tell me what successes you have had in engaging with other ancillary industries that ultimately have a touchpoint with consumers?

Response. Honda has seen localized lift in repair rates when our outreach efforts were supplemented by DMV outreach. For example, both the District of Columbia and the State of Vermont advised vehicle owners if their vehicle contained an unrepaired safety defect at the time of a required vehicle inspection. In a separate pilot, the District of Columbia's DMV actively supported a program to perform Takata Recall repairs to coincide with those required inspections. Honda is eager to broaden these efforts with additional state DMVs.

Honda also has had noteworthy success working with the insurance industry. Over time, Honda has developed a relationship where most insurance companies will permit repairs of salvage vehicles before those vehicles are re-sold at auction. This avoids recalled airbags from entering the secondary use market.

At the same time, Honda has so far been unsuccessful at encouraging these same insurance companies to engage their policyholders by reminding them to get this life-saving repair. To overcome insurance company objections about data availability, the auto industry worked together in the last year to create a bulk VIN recall lookup tool. This tool provides a free single source for looking up open safety recalls on large numbers of VINs from all OEMs. Honda will

continue to engage the insurance industry to look for creative ways we might work together to improve completions in the future.

Honda also has worked with CCC, the industry leading supplier of body shop estimating software, to raise awareness of this recall. When an affected customer's VIN is entered into the collision estimating system at a body shop that uses this software, body shop personnel will be shown a pop up message that alerts them that the particular VIN has one or more open safety recalls, including the Takata recall. A printout of this message can then be provided to the customer containing information on appropriate next steps to repair their vehicle.

Honda believes that the most effective means of assuring the repair of vehicles with safety defects is by tying vehicle repair to vehicle registration. This is particularly important for the second, third or fourth owners of vehicles who may not even be aware at the time they purchase the vehicle that it contains an unremedied defect.