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July 31, 2019

Mr. Jonathan Morrison
Chief Counsel
National Highway Traffic Safety Administration
Room W41-227
1200 New Jersey Avenue, SE
Washington, DC 20590

Re: Docket No. NHTSA-2015-0055 – Mercedes-Benz USA Request for Partial Extension of Priority Group 6 Sufficient Supply and Remedy Launch Deadline

Dear Mr. Morrison:

Daimler AG (“DAG”) and Mercedes-Benz USA, LLC (“MBUSA”) (collectively, “Mercedes-Benz”), pursuant to ¶ 39 of the Third Amended Coordinated Remedy Order to address the Takata recalls, request an extension of time in which to comply with the sufficient supply and remedy launch deadline for a small volume of Mercedes-Benz vehicles that are part of Priority Group (“PG”) 6.

Beginning with ¶ 33 of the Fifth Amendment to the Takata Coordinated Remedy Order (“Fifth ACRO”) and pursuant to Mercedes-Benz’s August 2018 request for extension, the sufficient supply and remedy launch deadline for some of MBUSA’s PG 6 vehicles is currently July 31, 2019. Due to several different factors, a portion of the vehicles currently scheduled to launch are subject to an extension request.

Request for Extension

Mercedes-Benz is requesting this extension as a result of several different culminating factors. As an initial matter, there are higher than projected repair rates for the specific airbag module part number. This metric indicates that consumers are responding to the recall notifications and are bringing their vehicles to receive the remedy. Further, existing production schedules by the airbag

module supplier in Germany, [], have complicated the production of parts. Because the supplier has a pre-determined schedule of specific part numbers that it is contracted to manufacture on its various production lines, it is not possible to “fill the gap” of additional modules needed launch this subset of PG 6.¹ MBUSA has recently become aware that because of these various factors, fully launching the campaign for this particular part number would quickly result in a backorder situation for dealers and thus, consumers.

Mercedes-Benz requests a brief extension of the upcoming supply and launch deadline for a subset of half of the PG 6 vehicles that are due to launch on July 31, 2019. Mercedes-Benz is prepared for, and intends to move forward with the launch of the campaign for the other half of the PG 6 vehicles in this phase and as scheduled. Mercedes-Benz has closely examined where it may launch the campaign for this part number and, to best position the campaign for success, will launch the campaign in those non-A states with larger vehicle populations, and those where dealers already have some inventory of parts on hand. Doing so will optimize dealers ability to service as many customers as possible.

The circumstances described above will have only a short-term impact on the campaign launch for this one specific airbag module part number. Despite the constraints presented, Mercedes-Benz has successfully poised itself to be able to launch the recall campaign for half of the PG 6 vehicles currently scheduled to launch at the end of July. There are approximately 9,000 total vehicles that are a part of this phase of the PG 6 launch. Mercedes-Benz estimates that the extension request implicates approximately 4,500 vehicles in total. The remaining 4,500 will launch as planned.

Make	PG	Platform	Model	MY	Volume	Zone	Launch Date (customer notification)
Mercedes-Benz	PG6	212	E-Class	2010-2011	4,500	Non-A	September 30, 2019 or earlier

¹ The complicated logistics surrounding the inflator shipments have also created some unavoidable delays. Because of restrictions on the shipment of hazardous materials, only certain quantities of inflators may be shipped via air freight. This results in fragmented shipments of particular part numbers bound for the United States using different air carriers. Once the airbags arrive at the [] distribution facility in the United States, the various shipments have to be organized and consolidated and are sent topicked up by an interim facility before they can be sent delivered to the MBUSA distribution centers, where they again have to be consolidated for pickup and transfer to dealers.

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Because of a variety of circumstances affecting the availability of replacement modules for this particular part number, many of which were due to circumstances created by third-parties and outside of its control, Mercedes-Benz requests a brief extension of the July 31, 2019, sufficient supply and launch deadline, until latest September 30, 2019,² to meet the sufficient supply and launch deadline for the vehicle platform and volume listed above.

We appreciate your consideration in this regard and are available to provide additional information to the agency if needed.

Sincerely,

A handwritten signature in cursive script that reads "Jacqueline Glassman". The signature is written in black ink and is centered on the page.

Jacqueline Glassman
Partner

² If sufficient parts become available sooner, Mercedes-Benz intends to launch the campaign for this vehicle subset earlier than September 30, 2019.