

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

**IN RE: TAKATA AIRBAG PRODUCTS
LIABILITY LITIGATION**

Case No. 1:15-md-02599-FAM

**THIS DOCUMENT RELATES TO:
ECONOMIC LOSS TRACK CASES AGAINST
BMW, FORD, HONDA, MAZDA, NISSAN,
SUBARU, AND TOYOTA DEFENDANTS**

**REPORT BY THE SETTLEMENT SPECIAL ADMINISTRATOR ON THE
IMPLEMENTATION OF THE OUTREACH PROGRAMS PURSUANT TO THE BMW,
FORD, HONDA, MAZDA, NISSAN, SUBARU, AND TOYOTA SETTLEMENT
AGREEMENTS**

STATUS REPORT NO. 12 FILED JANUARY 15, 2021

The Settlement Special Administrator of the BMW, Ford, Honda, Mazda, Nissan, Subaru, and Toyota Settlement Agreements (collectively, the “Settlement Agreements”) submits this Report to the Court to provide information and insight as to the ongoing efforts of the Outreach Programs under the Settlement Agreements¹.

As explained in further detail below, the Outreach Programs have been designed through discussion with the Parties, the National Highway Traffic Safety Administration, and the Independent Monitor of the Takata recalls to utilize techniques and approaches not previously applied in the recall industry, with a focus on personalized, targeted direct campaigns aimed at increasing the volume of outreach attempts per consumer via traditional and non-traditional channels with the goal of maximizing the recall remedy completion rate to the extent practicable given the applicable provisions of the Settlement Agreements. Consistent with this, the Settlement

¹ The data and information contained in this report is generally as of December 2020.

Special Administrator and Outreach Program vendors regularly confer and communicate with the automobile manufacturers to coordinate concerted efforts to ensure that outreach to affected vehicle owners is conducted as efficiently and as effectively as possible and to continually improve the overall process.

1. Direct Outreach

a. Current and Future Campaigns in Direct Outreach to Affected Consumers

As discussed in prior Reports, the Settlement Special Administrator and Outreach Program vendors recently deployed a new specialized mail campaign whereby vehicle owners were sent a large, official-looking 9 inch by 12 inch envelope containing both a letter from a personal call center agent as well as that call center agent's business card. This was intended to draw the recipient's attention to it in the clutter of the mail, and to reinforce the importance of the recall. This "repackaging" approach was extremely successful and, while more expensive than standard envelope mailings, far exceeded the breakeven point in terms of response rates relative to the incremental increase in cost. As such, the Settlement Special Administrator and Outreach Program vendors will continue to deploy similar types of campaigns in the future for an expanded population of vehicles with open Takata recalls.


In December 2020, the Settlement Special Administrator and Outreach Program vendors are sending out various Holiday-themed pieces urging consumers to add the Takata Recall Remedy to their end-of-the-year to-do lists. To begin 2021, the Settlement Special Administrator and Outreach Program vendors will introduce recall letters with handwritten notes contained in large format envelopes with actual stamps (as opposed to a United States Postal Service permit imprint) with a handwritten address on each envelope. As with other mailings, the intent of this is to catch the recipient's attention in the clutter of the mailbox by appearing to be (and in this case actually

being) a letter written to the recipient by someone with the Outreach Program, rather than a mass produced mailer that is often discarded.

Handwritten Envelope:




Recall Notification with Handwritten Note:



P.O. Box 746 | Wheeling, IL 60090

[NAME]
[ADDRESS]

URGENT AIRBAG SAFETY RECALL






[YEAR] [MODEL]
LAST 8 OF VIN: *****[XXXXXXXX]
RECALL ID: [XXXX-XXX]

Dear [First Name],

The airbag in your [YEAR] [MODEL] is under an **URGENT AIRBAG SAFETY RECALL**. In order to keep yourself and your passengers safe, you need to complete the mandatory **FREE** recall repair.

Defective airbag parts can explode, shooting sharp metal fragments at drivers and passengers. This can cause **SERIOUS INJURY** and even **DEATH**.

PLEASE SCHEDULE YOUR **FREE RECALL REPAIR AS SOON AS POSSIBLE:**

-  **CALL OR TEXT "FIX" TO [XXX-XXX-XXXX].**
-  **Pick a time that works for you.**
-  **Complete your recall repair for **FREE**.**

For your convenience, **FREE** loaner vehicles and other alternate transportation options are available. Please inquire when calling for your appointment.

If you no longer own this vehicle or believe you have already taken action on this urgent airbag safety recall, please call [XXX-XXX-XXXX] to let us know so that we can remove you from further communication regarding this issue.

We appreciate your attention to this urgent safety matter.

Sincerely,
Airbag Recall Team

*I know you have
been contacted several
times about this recall.
Please give me a call at
the number listed above
and I will help you
arrange everything!
- Jessica Brown
Airbag Recall Team*

In the same vein, in the early 2021 the Settlement Special Administrator and Outreach Program vendors will be testing a “pop-up” mailer, both as a self-contained postcard and in an envelope, which will be a 3-dimensional display of an airbag inflator rupture. Again, this is intended to be eye-catching to get the recipient’s attention and draw him or her to the call to action: calling to schedule an appointment their recall remedy performed.

Lastly, as mentioned in prior Reports, the Settlement Special Administrator and Outreach Program vendors have developed recurring campaigns that are sent to consumers on an ongoing basis (for example, the “Mobile Repair”, the “New Owner”, and the “Missed Appointment” campaigns). In order to ensure that recipients receive fresh outreach materials, new sets of assets for each of these campaigns will be created and rotated into outreach to groups that previously may have received the same pieces over some period of time.

b. Continued Efforts with State Departments

As reported, the Settlement Special Administrator, the automobile manufacturers, and the Independent Monitor for the Takata recalls have engaged various state departments to endorse the deployment of letters on behalf of their respective states to inform affected citizens of the Takata inflator recall and its severity, as well as to provide information on how to have the recall repair completed. In addition to the states in which these letters have previously been mailed², letters for the States of Florida were recently mailed, and similar letters are anticipated to be mailed in the coming months in other states. The Settlement Special Administrator, the automobile manufacturers, and the Independent Monitor for the Takata recalls continue to contact state departments to seek their cooperation in this valuable and effective effort.

c. Overall Deployment and Response

² Louisiana, Michigan, New York, Mississippi, Alabama, Kentucky, Wisconsin, Minnesota, North Carolina, Virginia, Arkansas, Florida, Georgia, Pennsylvania, South Carolina, Ohio, Nebraska, and Tennessee.

A total of 376,938,013 outbound deployments have been made by the Settlement Special Administrator and Outreach Program vendors to affected consumers. These deployments are broken out by primary channels below:

<u>Channel</u>	<u>Volume</u>	<u>Total Appointments</u>
Direct Mail Pieces	130,647,554	1,384,199
Emails	85,573,360	50,486
Outbound Calls	38,839,798	395,792
Digital/Facebook Impressions	121,877,301	77 ³

d. Overall Results

The Settlement Special Administrator and Outreach Program vendors have performed a total of 1,821,911 appointments and “warm transfers” to allow consumers to schedule appointments directly with dealers, and 7,582,327 recall remedies have been completed since the transition of outreach to the Settlement Special Administrator and Outreach Program vendors⁴.

2. Additional Activities and Efforts

In ongoing consultation with the Parties, the National Highway Traffic Safety Administration, and the Independent Monitor of the Takata recalls, the Settlement Special

³ Social media deployment on Facebook and other platforms is an extremely low-cost channel used primarily to maintain consumer awareness and a social presence to support other outreach activities which more regularly result in appointments and repairs, such as direct mail and outbound phone calls.

⁴ Considering the significant efforts put forth towards indirect outreach methods such as mass media and public relations-type activities, Status Reports now provide the total number of recall remedies performed, irrespective of whether direct outreach had been performed on a vehicle. As previously mentioned, consumers often schedule repair appointments directly with their local dealerships rather than by calling the Outreach Programs’ call center to do so. As such, the total recall remedy completion count presented herein cannot be attributed solely to those direct activities conducted by the Settlement Special Administrator and Outreach Program vendors and exceeds the number of appointments and “warm transfers” set by Outreach Program vendors. This is also consistent with the fact that each automobile manufacturer continues significant and extensive outreach efforts beyond those activities performed by the Settlement Special Administrator in the Outreach Programs under the Settlement Agreements.

Administrator has also undertaken several other activities to be performed in addition to and in conjunction with direct outreach to consumers.

In terms of earned media, the Settlement Special Administrator and Outreach Program vendors have continued deploying public relations materials to news outlets throughout the areas mentioned in prior Status Reports. In total as of early December 2020, B-roll news footage has run 1,563 times across over 40 states, and 69 print/online stories have been generated across United States. The Settlement Special Administrator's public relations team plans to continue to focus its activities on Zone A and B states going forward, in addition to target states in which DMV-type letters are being deployed in order to bolster the legitimacy and effectiveness of those communications.

Additionally, the Ford Settlement Agreement, as approved with finality by the District Court earlier in 2020, explicitly provides that the Parties will recommend to the Settlement Special Administrator that a portion of the Settlement Fund be used in "a sweepstakes program tied to the Takata Recalls, which will incentivize Class Members to have the Recall Remedy performed on their vehicles through substantial prizes awarded through a sweepstakes contest."

Over the past several months, the Settlement Special Administrator and Outreach Program vendors, in conjunction with Ford, have begun implementation of the first round of sweepstakes mailings, which ran from August to October 2020. The "Ford Repair & WIN" sweepstakes offered consumers who had their vehicles repaired within contest rules an opportunity to enter to win hundreds of prizes, including a new Ford Mustang GT or Ford Ranger 4x4, one of three vacation packages values at over \$10,000, and many others.

The population of vehicles for which the sweepstakes campaign was first launched mainly included those vehicles in the most dangerous Priority Groups and therefore those which have

previously received numerous communications, in some cases over 100 mailers over a period of years. Despite this, there was over a 7% increase in repairs to this vehicle population over the course of the sweepstakes as compared to the period before. In light of this, the Settlement Special Administrator and Outreach Program vendors, in conjunction with Ford, are currently assessing additional sweepstakes opportunities for early-to-mid 2021.

The Settlement Special Administrator and Outreach Program vendors have also tested some outreach materials using testimony from Stephanie Erdman, a Lieutenant for the U.S. Air Force, who was injured by a Takata inflator rupture. These pieces explain how the rupture and resulting injury changed Ms. Erdman's life, providing a real-life example of how important it is for consumers to have this safety recall performed in the hopes of persuading people who may be skeptical for whatever reason. With this testimonial, some of these materials even include graphic imagery of Ms. Erdman's injuries to accentuate this concern⁵.

3. Conclusion

The Settlement Special Administrator offers this Report to ensure that the Court is informed of the status of the Outreach Programs to date. If the Court would find additional information helpful, the Settlement Special Administrator stands ready to provide it at the Court's convenience.

/s/ Patrick A. Juneau

PATRICK A. JUNEAU
Settlement Special Administrator

⁵ The Settlement Special Administrator and Outreach Program vendors also tested an otherwise identical but non-graphic version of the same creative materials, and the graphic version resulted in a significantly higher response rate a compared to that of the non-graphic version.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on January 15, 2021 I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify the foregoing document is being served this day on all counsel of record via transmission of Notice of Electronic Filing generated by CM/ECF.

/s/ Matthew P. Weinshall

Matthew P. Weinshall