

**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, 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. 9 FILED MAY 15, 2020

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 April 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

COVID-19 has created unprecedented uncertainty across the American landscape, including both within the automotive industry as well as in terms of consumer behavior. Given “stay-at-home” orders in place across the country, in varying degrees based on geography, there has been significant uncertainty around consumers’ willingness to have even a recall as dangerous as the Takata inflator recall performed considering the risk of current circumstances and “social distancing” recommendations from the Centers for Disease Control and Prevention.

As a result of this uncertainty, and in an attempt to conservatively and responsibly utilize Outreach Program funds in the most responsible way possible, the Outreach Programs have shifted outreach channel mix to utilize traditionally less expensive methods of contacting consumers (predominately email, where available) while still comporting with the various requirements of the National Highway Traffic Safety Administration’s Coordinated Remedy Orders per the Settlement Agreements.²

However, in terms of Outreach Program materials in use currently, the messaging has been modified to acknowledge the pandemic and the effect it is having on consumers’ lives, including that consumers may want, but simply are unable, to schedule a recall remedy appointment at this

² The Outreach Program also utilized a “perforated” type mailer in late March/early April 2020. The mailer was intended to in some ways mimic a traditional tax document to cut through the clutter of the mailbox in order to get consumers who may have discarded prior notifications to open the outreach mailer and read the urgent safety message.

time. As such, the copy of these communications offers consumers the ability to call or text to receive future reminders of the recall so that the remedy can be performed at a safer and more convenient date for the consumer. In situations where consumers contact the Outreach Programs indicating interest in this service, such reminders are currently planned to go out in June. On the other hand, acknowledging that dealer service departments in many cases remain open given that maintaining vehicle operability is an essential service, the communications also give consumers the opportunity to schedule appointments to the extent possible while taking sanitary precautions.

With that said, the Outreach Programs are also looking to the future to begin ramping back up in mid to late May so that the Programs are well-positioned to move back to normal outreach levels at the appropriate time. In doing so, the Outreach Programs will begin increasing all channels of outreach, including direct mail, outbound calls, and emails, as well as reintroducing social media deployments using Facebook and Google Display. Furthermore, in late May 2020, the Outreach Programs plan to send to affected consumers email utilizing Morgan Freeman video urging them to have their vehicles repaired.

Additionally, in June 2020, the Outreach Programs have a variety of new creative material anticipated to be rolled out. These include 1) a “voucher” notification which in essence serves as a “coupon” for consumers to have their free recall remedy performed³; 2) a “mobile repair” letter offering a convenient service, where geographically available, in which a repair technician will come from the dealership to the consumer’s home or office to perform the recall remedy; 3) and

³ To be clear, the Takata recall remedy is and always has been performed for free. However, many consumers are simply skeptical of this fact. This concept gives these consumers something tangible in the form of “voucher” attached to the outreach communication that they can take with them to their appointments to be sure that the recall remedy is performed at no charge.

commercial letters targeted at business entity type vehicle owners who have multiple vehicles in their fleets for which recall remedies have not yet been performed.⁴

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 mailed⁵, letters were recently mailed in Ohio and Nebraska. Additionally, similar letters are anticipated to be mailed in Connecticut, New Hampshire, Ohio, Tennessee, and Vermont. 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

A total of 209,754,833 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:

⁴ Many of these unique initiatives were previously planned to be implemented in the first quarter of 2020, as per prior Status Reports. However, implementation was temporarily suspended so that these concepts could be introduced during a time when they can be more appropriately and reasonably tested in terms of effectiveness, without concern for “false positives/negatives” which might be caused by the COVID-19 pandemic.

⁵ Louisiana, Michigan, New York, Mississippi, Alabama, Kentucky, Wisconsin, Minnesota, North Carolina, Virginia, Arkansas, Florida, Georgia, Pennsylvania, and South Carolina.

<u>Channel</u>	<u>Volume</u>	<u>Total Appointments</u>
Direct Mail Pieces	83,547,800	1,035,745
Emails	54,877,577	37,927
Outbound Calls	29,641,780	284,588
Digital (Facebook) Impressions	41,687,676	91 ⁶

d. Overall Results

The Settlement Special Administrator and Outreach Program Vendors have performed a total of 1,399,911 appointments and “warm transfers” to allow consumers to schedule appointments directly with dealers, and 5,600,803 recall remedies have been completed since the transition of the Outreach Programs to the Settlement Special Administrator and Outreach Program Vendors⁷.

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

⁶ Social media deployment such as Facebook 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 phone calls.

⁷ Prior Status Reports reported the total number of recall remedies associated with inflators for which the Outreach Programs had performed some sort of direct outreach, whether by mail, phone, email, digital, etc. However, considering the significant efforts put forth towards indirect outreach methods such as mass media and public relations-type activities, Status Reports from here on will provide the total number of recall remedies performed, irrespective of whether direct outreach had been performed on that vehicle. 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, and 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 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.

In early August 2019, the Settlement Special Administrator launched a national mass media campaign featuring Morgan Freeman as its spokesperson, described in further detail in prior Status Reports. This media campaign ended in the middle of November. While the Settlement Special Administrator previously anticipated re-launching a media campaign sometime in the first quarter of 2020, in light of the heavy media coverage around COVID-19 as well as higher media pricing in an election year, the Settlement Special Administrator is currently re-evaluating to determine the most beneficial manner in which to proceed in terms of effectiveness.

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, with focus on print, online, and broadcast Hispanic outlets in Arizona, California, Florida, New York, and Texas. In total as of April 2019, B-roll news footage has run over 1,500 times across over 30 states; the news syndicate press releases have run in 215 publications across 20 states; and 45 print/online stories have been generated across United States. Furthermore, there have been over 1,550 stories and release placements related to the Morgan Freeman mass media campaign described above. However, coverage in earned media and news outlets has been significantly focused on COVID-19 over the past several weeks.

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on May 15, 20120 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