

Mr. Stephen P. Wood

ATTACHMENT

Reference: Special Order Directed to Fiat Chrysler Automobiles US LLC

June 1, 2015

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**Preliminary Statement**

On April 30, 2009 Chrysler LLC, the entity that manufactured and sold the certain vehicles that may be discussed in this Information Request, filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code.

On June 10, 2009, Chrysler LLC sold substantially all of its assets to a newly formed company later known as Chrysler Group LLC. Pursuant to the sales transaction, Chrysler Group LLC assumed responsibility for safety recalls pursuant to the 49 U.S.C. Chapter 301 for vehicles that were manufactured and sold by Chrysler LLC prior to the June 10, 2009 asset sale.

On June 11, 2009, Chrysler LLC changed its name to Old Carco LLC. The assets of Old Carco LLC that were not purchased by Chrysler Group LLC, as well as the liabilities of Old Carco that were not assumed, remain under the jurisdiction of the United States Bankruptcy Court – Southern District of New York (In re Old Carco LLC, et al., Case No. 09-50002).

Effective December 15, 2014, Chrysler Group LLC changed its name to FCA US LLC.

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**Note: Unless indicated otherwise in the response to a question, this document contains information up to May 18, 2015, the date this information request was received.**

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FCA US LLC ("FCA US") is responding to the National Highway Traffic Safety Administration's ("NHTSA") Special Order request as directed. FCA US has diligently and reasonably searched all known sources of records likely to contain responsive information or documents, and has compiled the requested information and provided comprehensive answers to each and every question.

FCA US takes the safety and satisfaction of its customers seriously, and is committed to continuously improving our products, image and overall performance. Thorough investigation of potential safety issues and remedy of safety defects are core tenets of this philosophy. Our detailed response to the Special Order request demonstrates this commitment by identifying the accomplishments made to date which place us among the best of our peers in terms of recall completion rates. Our commitment also is evident by the initiatives underway to further enhance our processes to identify, and remediate safety defects.

The majority of FCA US recalls achieve above industry average completion performance. At the six quarters of execution benchmark, FCA US completes over 77% of all recalls. For vehicles less than five years old, FCA US achieves an average completion rate of 84% (recalls since 2004, measured at 24 months). Our overall completion rate is nearly the best in the industry, second only to BMW amongst all major OEMs. In fact, NHTSA has previously adopted suggestions from FCA US on how to improve customer mailings as well as sent other manufacturers to benchmark FCA US' past outreach activities. We continue to improve our Outreach programs and learn from our customers and our industry peers. Accordingly, we benchmark our performance for these vehicles using counts of vehicles still in active service vs. initial production volumes as the denominator. This method gives a more accurate picture of our execution rate on these campaigns. While we are among the leaders in overall completion rates, as the size and expected life of our on road vehicle fleet increases, our challenges increase. They include items such as vehicle age, complete and accurate contact information, owner priorities, confusion, and service capacity. FCA US is continuing to improve its processes and outreach to dealers and customers to meet these challenges, and we appreciate the opportunity to work with NHTSA and our peers toward the drive to 100% execution rates on all campaigns using creative and non-traditional approaches.

Over the past 12 months FCA US has shared with NHTSA our focus on organization, processes, outreach activities, and customer facing websites. Recently, FCA US realigned and enhanced safety investigations and recall administration to create a stand-alone organization responsible for Vehicle Safety and Regulatory Compliance ("VSRC"). The new organization is led by a Senior Vice President and includes engineers whose top priority is investigating vehicle safety-related concerns. Since 2011, prior to any of the 20 recalls subject to the Special Order, FCA US has utilized an external third party Outreach program where recall completion rates are not advancing as anticipated. This program utilizes a number of methods to reach customers, such as emails, postcard notifications, websites, and predictive dialers. The program improved recall completion rates by more than 10% during that period of time. On May 21, 2015 FCA US shared with NHTSA an extensive plan to take its Outreach program to the next level on the recalls making up campaign 13V-252 (N45 and N46).

As part of NHTSA's recent Retooling Recalls event, the Alliance of Automotive Manufacturers ("Alliance") showed that recall completion rates are directly related to vehicle age. While the overall industry completion rate is 75%, that rate drops to 44% for vehicles 5-10 years old and further falls to 15% for vehicles more than 10 years old. Understanding the relationship between vehicle age and recall completion rate is important. Like all recall stakeholders, FCA US looks forward to the Alliance's research study to better understand why owners of older vehicles do not take advantage of free recall remedies to

make their vehicles safer. FCA US is committed to using these data, as well as those generated by our own studies to further improve our methods of communicating with owners to motivate them to participate in safety recalls. We will continue to actively engage in dialogue with NHTSA and our peers through the Alliance and other industry forums to achieve the highest possible level of success in early identification and efficient remediation of safety defects.

FCA US' efforts to improve completion rates have been timely, substantive and transparent. FCA US works closely with NHTSA staff when remedy execution or communication plans change. Our goal is to achieve the highest rate possible on every campaign, and have demonstrated our effort to do so.

Notwithstanding FCA US' positive actions and overall completion performance, we understand that NHTSA has concerns and FCA US will address each of them going forward. Specifically, we understand that NHTSA is asking for transparency and agile responsiveness when unforeseen considerations arise that may result in a change to the expected remedy execution or dealer or customer communication plans. Several immediate actions are being implemented, such as:

- Establishment of a bi-weekly executive campaign execution review team led by VSRC and attended by MOPAR, Customer Care, Purchasing, and other functions where necessary. This team will complement the long established working level meeting which occurs weekly. The executive review team will improve the lateral communication and coordination between each of the responsible recall team functions.
- A review of approved campaigns with senior management, including the heads of VSRC, MOPAR, Purchasing, Engineering, Manufacturing, and Supply Chain to proactively monitor and escalate recall execution issues for timely resolution. This review will occur as needed and will include a monthly status review.
- Continued development and launch of an interactive campaign program management tool that will provide real time information on execution activities and flags where delays could occur so that process improvements will be implemented quickly and uniformly.
- Commitment of resources from the Product Investigations staff to review post-recall execution, including consumer and dealer complaints, in order to monitor campaign efficacy and ensure expedient follow up and prompt correction of issues.
- Commissioning of a review of the recall execution process to identify and measure additional improvement opportunities.

As we monitor the implementation of these actions, as well as those driven by other input, FCA US expects to be able to refine our process and our dealer and customer communication strategies. FCA US will continue and enhance its transparency and interactive approach with NHTSA and expects that through open dialogue, we will demonstrate our company commitment to improved recall execution, and also contribute to the improvement of the industry as a whole. In addition, FCA US fully supports other measures intended to improve recall completion rates as outlined in the Alliance letter of May 29, 2015, to Dr. Rosekind (ENCLOSURE 9).

FCA US believes our approach to review and identify with NHTSA input, and implement changes based on the learnings obviates the need for a hearing. Instead, the focus on implementation and discussion with NHTSA of key metrics to assess effectiveness of these initiatives may better and more likely help to solidify gains.

1. Identify all notices, communications, or instructions FCA issued, transmitted, or otherwise made available to its dealers relating in any way to each Recall. This request includes, but is not limited to, notices, bulletins, and other communications as described in 49 C.F.R. §579.5, and instructions related to remedy timing, remedy availability, remedy application, remedy parts ordering, and remedy parts restrictions. For each notice, bulletin, communication, or instruction you identify, state:
  - a. The date it was transmitted;
  - b. The type of notice or communication (e.g., recall notice, dealer bulletin, internal communication, etc.);
  - c. The means of transmission (e.g., email, fax, etc.); and
  - d. The group within FCA that issued the notice or communication (e.g., parts engineering, recall administration, etc.).

**Produce a copy of each notice or communication you identify in response to this question, including copies of any accompanying attachments. Organize the documents separately by Recall, and describe the method FCA used for organizing the documents.**

A1. The information requested by subparts (a) through (d) is located in ENCLOSURE 1 and titled Dealer Communication Documents.pdf. In support of this table, FCA US has provided a copy of each document referenced within the table. These documents can be found in a subfolder which is titled with the NHTSA and FCA US recall designation number (e.g., 13V-038 N08) within ENCLOSURE 1.

In the course of the launch and execution of a recall campaign, FCA US may send many different types and quantities of communications to the dealer network. The majority of documents are uploaded to our DealerCONNECT system. This system is the repository of vehicle and service information including but not limited to, recall communication information. Other documents may be electronically mailed to dealers through one or more of the FCA US Business Centers within the United States.

For every approved safety recall campaign FCA US produces and distributes dealer instructions, which are the step-by-step procedures used by dealers to perform the recall remedy. As part of this document, a copy of the owner letter is produced for dealer information and awareness. In addition to the dealer instructions, the majority of safety recall campaigns also have a New Safety Recall Advanced Communication ("NSRAC", or formerly known as an Advanced Field Action Communication ("AFAC")). The NSRAC document is created to notify and provide preliminary information to the dealer network regarding approved FCA US safety recall campaigns. This allows the dealer network as well as the customer call center to provide advanced information to our customers which may be more accurate or complete than what is reported by the media. The NSRAC document was developed in an ongoing effort to increase both the efficacy of, and opportunities for, customer communication.

FCA US continually evaluates the effectiveness and performance of each recall campaign. In some situations, as need arises, additional documents are created, over and above dealer instructions and NSRAC. There are other documents which may be created for various reasons. These can include

updates to dealer instructions as well as technical advisories, which may augment or highlight portions of the dealer instructions and/or communicate new information regarding the campaign. Additional communications may be sent out regarding part supply plans and part availability concerns. On some larger, more complicated campaigns, FCA US has compiled all relevant information and sent it to dealers in a manual or recall guide format (e.g. N45 and N46). FCA US will also send the dealer network a copy of all interim owner letters when parts are not available to remedy vehicles within 60 days of notifying NHTSA about the safety recall. These communications are developed and distributed on an as-needed basis depending on the current state of a campaign.

In the course of the search for documents responsive to this question, as well as those previously produced in response to AQ14-003, FCA US has identified a few documents which were created and distributed by groups outside of VSRC. The documents include some which were not previously submitted to NHTSA. In an effort to provide a complete response to this question, FCA US is providing them within ENCLOSURE 1.

2. For each Recall, state the number of each of the following, received by FCA, or of which FCA is otherwise aware, which relate to, or may relate to, the defect, remedy or owner notification which was received after the date of FCA's 49 C.F.R. §573.6 submission to NHTSA:
  - a. Consumer complaints, including those from fleet operators;
  - b. Field reports, including retailer field reports; and;
  - c. Reports involving a fire, crash, injury, or fatality;

For items "a" through "c," state the total number of each item separately for each Recall. For item "c," provide a summary description of the alleged problem and causal and contributing factors and FCA's assessment of the problem, with a summary of the significant underlying facts and evidence. Produce a copy of each complaint, field report, or other report you identify in response to this question, including copies of any accompanying attachments.

**Organize the documents separately by Recall, and describe the method FCA used for organizing the documents**

- A2. FCA US has conducted an extensive search through the normal repositories where responsive information is expected to reside. To put the search in perspective, the 20 recalls referenced in the Special Order encompass approximately 11 million vehicles, which have been in service for as long as 22 years. The repositories searched contain tens of millions of records. To locate and identify consumer complaints, field reports, and other reports, FCA US used multiple methodologies to collect the data, which is comprised of two categories: 1) Customer complaints which have the reason code associated with the recall campaign; and 2) Customer complaints, field reports, and other reports where it was alleged that the reported condition or event, relates to, or may relate to, the defect described in the recall campaign.

- 1) Reason Code Customer Complaints

The FCA US Customer Assistance Center addresses communications of many different types; some are customer complaints, requests for information, or contacts for other reasons. The call

center not only receives and documents the substance of the consumer communication, but may also categorize a communication with a reason code. A reason code is one of a predefined list of categories which relate to the reason for the consumer contact. Each communication can be categorized with multiple reason codes depending on the consumer's reason for calling. Once a recall is announced and launched, the call center is able to associate consumer calls with a unique reason code for a specific recall campaign. If a communication is categorized with the recall reason code, the call center agent may select a subcategory. These subcategories include various reasons the communication may relate to the recall. Two subcategories account for the vast majority of these types of communications: A) Information request, and B) Advise owner of incomplete recall.

**A) Information Request**

These communications can be characterized as communications from the consumer requesting general information about the recall such as questions about: vehicle inclusion, recall remedy, defect description. These types of communications do not necessarily represent a customer complaint about the defect, remedy, or owner notification.

**B) Advise Owner of Incomplete Recall**

These communications can be characterized as communications from the consumer about any topic. For example, the customer may be calling to inquire about dealership hours, a satellite radio subscription, or to provide positive feedback about FCA US products or advertisement campaigns. Prior to the end of the consumer / call center interaction, the call center agent will review the VIN information and if there are any open recall campaigns, the agent will proactively notify the customer, and assist the customer in scheduling a recall remedy appointment with a dealer.

The number of responsive communications identified for each campaign can be found in the Recall\_Investigation\_Summary\_Count.pdf and found within ENCLOSURE 2. Eighty-five percent of these communications are either FCA US informing the customer there is an open recall on their vehicle or answering the customer's questions about the recall.

2) Recall Condition Customer Complaints, Field Reports, and Other Reports

To identify these customer complaints, field reports, and other reports, FCA US utilized multiple compounding keyword search techniques. The results of these searches were analyzed to better understand whether the reported condition or event relates to, or may relate to, the defect described in the recall campaign. The number of responsive communications identified for each campaign can be found in the Recall\_Investigation\_Summary\_Count.pdf and found within ENCLOSURE 2.

For both of these types of communications, FCA US uses the opportunity to provide additional communication to the customer about the recall campaign. One of the methods FCA US uses is call center agent training and common information materials. As discussed and produced in the response to Request 1, FCA US distributes a NSRAC to the Customer Assistance Center in addition to the dealer network. FCA US has an established process to develop and provide training to Customer Assistance Center agents. This ensures that when consumers contact the recall hotline, they are provided with consistent and current information regarding an announced, but not yet launched recall. The majority of

the customer complaints which FCA US is submitting are categorized with one of the above two reason code complaints subcategories.

Incidents that relate to, or may relate to this request, which FCA US has identified to date, have been produced in the following manner.

1. A table summarizing the counts for each of the requested subparts (a) – (c) as well as the number of unique VINs represented separated by recall campaign.
2. A Microsoft Access database for each recall campaign, providing the detail for each of the requested subparts (a) – (c).
3. For each of incidents identified in the counts, FCA US is providing copies of the available customer complaints, field reports, or reports involving fire, crash, injury, or fatality.

These documents have been produced and are organized in ENCLOSURE 2 as follows:

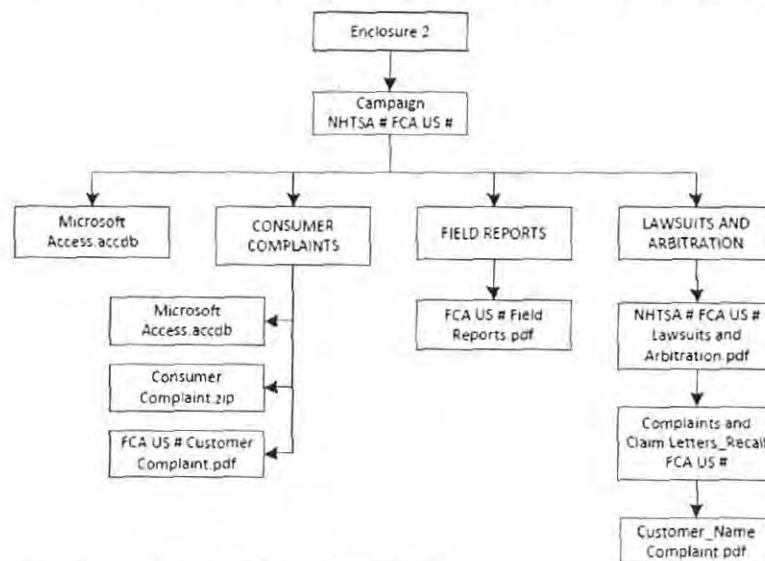


Figure 1: ENCLOSURE 2 folder structure. UPDATE FOLDER STRUCTURE

FCA US continues to review data for additional responsive information and will supplement with additional information if, and where, appropriate.

3. For each Recall, state the number of each of the following, received by FCA, or of which FCA is otherwise aware, which relate to, or may relate to, the defect, remedy or owner notification which was received after the date of FCA's Part 573 submission to NHTSA:
  - a. Third-party arbitration proceedings where FCA is or was a party to the arbitration; and,
  - b. Lawsuits, both pending and closed, in which FCA is or was a defendant or codefendant.

For items "a" and "b," identify the parties to the action, the caption, court, docket number, date on which the complaint or other document initiating the action was filed, the allegation(s) against FCA, and the current procedural posture of the case. If the matter has

**settled, state the terms of the settlement and the date on which the settlement was reached. For each arbitration or lawsuit you identify, produce a copy of the most recent complaint or other document initiating the action, and any settlement agreement or final decision.**

A3. FCA US has conducted an extensive search through the normal repositories where responsive information is expected to reside. To put the search in perspective, the 20 recalls identified in the Special Order encompass approximately 11 million vehicles, which have been in service for as long as 22 years. FCA US identified lawsuits and other legal claims where it was alleged that the reported condition or event, relates to, or may relate to, the defect described in the recall campaign. The table, spreadsheet, and backup information within ENCLOSURE 2 also include information responsive to subparts (a) and (b). This data is produced in the following methods:

1. A table summarizing the counts for each of the requested subparts (a) and (b) as well as the number of unique VINs represented separated by recall campaign and is in ENCLOSURE 2
2. A Microsoft Excel spreadsheet for each recall campaign, providing the detail for each of the requested subparts (a) and (b) and is found in ENCLOSURE 3.
3. For each arbitration or lawsuit identified, a copy of the most recent complaint or other document initiating the action, and any available settlement agreements. Settlement agreements are being produced in ENCLOSURE 3 Settlement Agreements CONF BUS INFO.

Also included in ENCLOSURE 3 is a privilege log for materials being withheld from production on the basis of the attorney-client privilege.

4. **Provide a spreadsheet containing the information required by 49 C.F.R. § 573.7, updated as of the date of this Special Order. The spreadsheet should be produced in native Excel format, with one Recall per row. For any Recall where the remedy has not yet begun, provide the current anticipated date of owner and dealer notification.**

A4. FCA US LLC has prepared a spreadsheet containing the information, required by 49 C.F.R § 573.7, updated as of May 20, 2015. The spreadsheet is titled Special Order Quarterly Report Q4.xlsx and can be found in ENCLOSURE 4. As requested, the spreadsheet provided includes anticipated dates for campaigns where the remedy has not yet begun.

FCA US has identified five campaigns (14V-567, 14V-373, 14V-634, 15V-115, 14V-795 (P57, R03, P60, R09, P80)) which may have exceeded the 60 calendar day requirement for owner notification pursuant to Part 577, all of which were interim letters.

- 14V-567 (P57) mailing completed 2 days past 60
- 14V-373 (R03) 12 days past 60
- 14V-634 (P60) mailing completed 2 days past 60
- 15V-115 (R09) mailing completed 4 days past 60
- 14-795 (P80) 1 day past 60



5. **Describe in detail any measures FCA may be planning or has executed to achieve a maximum possible completion rate for each Recall. Produce copies of any documents that evidence FCA's plans or that reflect the measures it has taken or plans to take above and beyond the required owner and dealer notifications.**

A5. FCA US continues to be committed to the goal of ensuring programs are in place to encourage our customers to bring their vehicles in to have recall remedies performed. Each campaign is monitored on a real time basis for remedy completion rates. Every recall is different and the same strategy does not work for all campaigns. FCA US however, has a regular complement of programs and strategies which are applied to all campaigns, including the 20 recalls referenced in this Special Order, to achieve the highest possible completion rates. The standard programs are as follows:

#### **Regular Completion Rate Tracking**

1. Monthly monitoring of completion rate progress on all campaigns.
2. Daily monitoring of completion rate progress on extraordinary campaigns such as 13V-252 (N45 and N46).

#### **Dealer Initiatives**

Examples of dealer initiatives, supported by FCA US, are listed below and are designed and operated by a dealer based on experience in the market. Documents supporting the initiatives can be found in ENCLOSURE 5 and titled Jeep Reinforcement Completion Rate Initiative SLW NHTSA.pdf

1. Service marketing recall reminders are sent to customers directly from dealers to remind them of an open recall on their vehicle.
2. Dealer advertising which encourages customers with open recalls to contact the dealership to make an appointment to have vehicle remedied.
3. Dedicated recall coordinators: Some dealers employ a person whose job it is to contact and coordinate with customers to bring their vehicles in for recall remedy.
4. Dedicated service advisors: Some dealers employ a dedicated service advisor to handle and process only recall remedy service appointments.
5. Incentives: Dealers are able to utilize various incentives such as free car washes, oil changes, customer parties, etc., to motivate customers with open recalls to have their vehicles serviced.
6. Extended hours to accommodate additional demand required to complete recall service work, including overnight recall service, Saturdays, and "Recall Sundays."

#### **Company Initiatives**

1. Recall websites which are designed to provide information and to assist customers in getting their vehicles scheduled for service. Customers are able to navigate to this website through many different FCA US brand websites. This site includes features such as:

- a. Live Chat which allows the customer to communicate directly with FCA US personnel who can provide information and assist in scheduling a service appointment. This feature launched in April 2015.
- b. Online reimbursement information, instructions, and the ability to file a request for financial reimbursement.
- c. A video from the FCA US Senior Vice President of VSRC. This video communicates the importance and focus that FCA US places on customer safety and the importance of having recall remedies completed.
- d. A VIN lookup tool: Customers are able to input their VIN into this lookup tool and receive immediate feedback regarding any open recall campaigns on their vehicle(s). The ability to look up FCA US VINs within this tool has existed on FCA US websites since July 2003. Recent enhancements reorganize the open campaigns on each customer's vehicle to list safety recalls first and other service campaigns after. Soon to be implemented enhancements will add the ability to see all completed recalls on a vehicle.
- e. The recall website link is found at the following URL: [www.recalls.mopar.com](http://www.recalls.mopar.com). Additional URLs which redirect customers to the previous link include: [www.jeep.com](http://www.jeep.com), [www.dodge.com](http://www.dodge.com), [www.chrysler.com](http://www.chrysler.com), [www.ramtrucks.com](http://www.ramtrucks.com), [www.mopar.com](http://www.mopar.com), [www.fiatusa.com](http://www.fiatusa.com), etc. The [www.recalls.mopar.com](http://www.recalls.mopar.com) website had 1,388 hits in the month of April 2015 alone (3,125 hits Jan – April 2015) as referenced in ENCLOSURE 5 and titled 2015 website data.pdf his recall website allows customers to create an account which helps streamline their navigation around the site.
- f. Social Connect team engagement: This activity gathers the "voice of the customer" by participating in online forums and blogs. FCA US engages in conversations with customers to provide information and answer customer questions. These interactions lead to more formal communications with customers to better assist them in getting their vehicle recall completed.
- g. Owner smart phone applications: These applications, with customer consent, will provide the customer with innovative features and connected abilities to their vehicles but also enable FCA US to push notifications of safety and quality campaigns directly to the customer. This will help significantly increase communication between the company and customer. This concept was developed recently as a result of the enhanced outreach being conducted on the 13V-252 (N45 and N46) campaign. This feature is scheduled to launch in July 2015.
- h. Telematics: FCA US is currently investigating the implementation of pushing important messages such as safety recall information directly to the in-vehicle head-unit (radio screen). These recall messages would appear prior to vehicle movement on vehicle displays. This feature is targeted to be implemented as soon as the 2016 (for the 2017 model year).

#### **Customer Care**

FCA US Customer Assistance Centers assist customers with getting their recalls completed in several ways:

1. Agents contact dealers on behalf of customers to schedule appointments when remedy parts are available.
2. When remedy parts are not available, customer information is retained and the customer will be notified when parts become available.
3. Agents provide information about open recalls and estimated timing when remedy parts are not available.

#### **Hard to Find Customers (Vehicles)**

1. Salvage yard Initiatives: FCA US has begun to strategically search salvage yards to identify vehicles subject to a recall. As vehicles are located, FCA US will take the appropriate action to ensure that the vehicle, or any affected parts, cannot be returned to service. Each vehicle is evaluated in order to determine the appropriate actions for each case. This concept was initiated recently as a result of the enhanced outreach being conducted on the 13V-252 (N45 and N46) campaign.
2. Vehicle auction: FCA US plans to begin to attend various vehicle auctions. Vehicles identified will be evaluated in order to determine the appropriate actions for each vehicle. This concept was initiated recently as a result of the enhanced outreach being conducted on the 13V-252 (N45 and N46) campaign.
3. Customer enthusiast clubs: FCA US attends some customer enthusiast club events, such as Jeep Jamboree. FCA US has increased participation levels by providing recall information and guiding customers to dealers for recall service.

#### **Outreach Program**

During normal monitoring of the progress of a recall campaign, FCA US evaluates the pace of vehicles being remedied. This monitoring revealed an opportunity to improve certain campaign performance, and FCA US explored multiple methods to increase campaign pace. An outbound call program was scoped and developed in cooperation with our existing call center third party provider. And a pilot program was launched in 2011 on four underperforming campaigns utilizing telephone contact with customers. With this method we were able to successfully contact 63,891 customers resulting in a 15% campaign completion rate increase on average, as shown in ENCLOSURE 5 and titled Recall Tracker Minacs Pilot.pdf

In 2012, in conjunction with another third party, Impartial Services Group ("ISG"), three additional campaigns were piloted in a larger, more comprehensive program. This modified program utilized additional methods to contact customers such as emails, postcard notifications, websites, and predictive dialers. In the modified program, FCA US observed significant improvement in completion rates. Based on the lessons learned from the pilot and modified program activities, a full program was launched in 2012 and has been utilized to improve completion rates on 14 recall campaigns.

As stated above, it is the normal process of FCA US to monitor completion rates. If the pace of vehicles being remedied requires improvement, that campaign may be enrolled in the Outreach program. The Outreach program is being, or will be, used to improve the recall completion rates of five campaigns in this Special Order. These campaigns include N45, N46, N49 (13V-252, 13V-252, 13V-529) and will expand to N62 (13V-528) and N63/R16 (13V-527). FCA US believes that outreach

activities are unique to the needs and performance of the individual campaign. The tools and methodologies are data driven and it is a dynamic process. At any time, FCA US may modify or expand the standard Outreach program as new, more effective tools and techniques are developed.

Based on industry benchmarking, FCA US believes that this program, at its inception, was unprecedented in the US automotive industry and has been successful increased recall completion rates.

### **Expanded Outreach**

As stated above, FCA US monitors the pace of vehicles being remedied at a regular frequency. The effectiveness of an Outreach campaign may be lower where there are factors such as vehicle age, lack of current name on vehicle title, or even the owner-perceived ability to self-diagnose or self-assess the risk. In the event that the standard Outreach plan is not producing results that are acceptable to FCA US, or NHTSA, additional actions may be taken. These actions would be considered outside of the norm or extraordinary measures. Each recall is different, and the same strategy does not necessarily work for all campaigns. FCA US evaluates each recall campaign to understand the individual issues and challenges occurring during the execution of remedy repair and deploys a directed response.

FCA US and NHTSA continue to be concerned with the pace of vehicles being remedied in the 13V-252 (N45 and N46) campaign. Considering that some of these vehicles are 1993-1998 model years, FCA US anticipates remedy rate challenges. For this population of vehicles, there are more inaccuracies in available owner information. As evidence of this, in the N45 (13V-252) campaign, we have made more than 4.5 million attempts to contact the owners of record (or any additional potential owners that were identified). It is clear that owner contact information has aged, and the research of the consumer population has become more transient. These two factors dramatically increase the difficulty in both finding current owners as well as persuading these owners to bring their vehicle in for the remedy.

FCA US also became aware of part supply issues which surfaced during the Outreach program for the 13V-252 (N45 and N46) campaigns. To address these concerns, FCA US began shipping minimum quantities of each remedy part to all dealers on November 24, 2014. Furthermore, when FCA US receives a complaint of a dealer indicating they do not have parts and or cannot accommodate the customer, immediate contact is made with the respective dealer to coach and reinstruct dealer personnel to ensure proper communication and messaging is given to the customer.

To help increase the pace of vehicles being remedied, some of the Expanded Outreach described above has already been implemented. These actions include: Smart phone applications, social media advertisement buying, participation in customer club events such as Jeep Jamborees, purchasing vehicles at auction, and searching for vehicles in salvage yards. These activities are, or will be, used to identify customers and get their vehicles remedied, or to locate out of service vehicles. Furthermore, these activities are now being investigated as company initiatives which can be employed more formally on campaigns where they may be deemed to be valuable.

**6. Describe in detail any challenges FCA faces in achieving a maximum possible completion rate for each Recall.**

A6. FCA US does not face any unique challenges in achieving the maximum possible completion rate for recalls. While the challenges are significant, they are universal within the United States automotive industry. Some of the recalls identified in this Special Order will likely struggle to achieve the industry average (75%) or the FCA US average (77%) completion rate<sup>1</sup>. On April 28, 2015, at the Retooling Recalls event, held at NHTSA, a number of discussions focused on the industry challenges and opportunities relating to recall completion rates.

**Universal Challenges**

As noted by the Alliance, the current average completion rate for light vehicle recalls following six quarters of reporting is 75%. However, that rate varies markedly based on the age of the vehicle involved in the recall. The data shows, located in ENCLOSURE 9 and titled AS SUBMITTED\_Alliance\_Global Automakers Comments re NHTSA Retooling Recalls Workshop\_May 29 2015.pdf, that at six quarters:

- For new vehicles, the completion rate averages 83%;
- For vehicles 5-10 years old, that rate drops nearly in half to 44%; and
- For vehicles older than 10 years old, the completion rate drops by another two-thirds to 15%

In addition, the accuracy and completeness of owner data decreases with vehicle age. Once a vehicle has exceeded its warranty coverage, the customer is less likely to visit a dealer. A consequence of customers not visiting a dealership is a reduction in the accuracy of owner contact information. The customer may move multiple times without any record update in FCA US databases. Moreover, any change in vehicle ownership further compounds this matter. At the time of resale, FCA US does not have the opportunity to inform a subsequent owner of any outstanding recall campaign(s). FCA US is dependent upon the accuracy of the data provided by each State's Department of Motor Vehicles ("DMV"). Where FCA US does not have accurate or complete contact information, the opportunity to provide the current owner with a recall notification in a timely manner is compromised.

Lack of current vehicle registration is also a significant challenge to achieve average recall completion rates. As vehicles age, there are at least three potential reasons for a vehicle being unregistered and therefore, FCA US not having current contact information:

- 1) A vehicle may be temporarily unregistered after it is purchased at auction and may sit, unsold for an extended period of time. During this gap in registration, FCA US is unable to notify the most recent owner;
- 2) A vehicle that is not used on the public roadways, which is in private service on private property or no longer functional may not be traceable through state DMVs; and

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<sup>1</sup> 75% is referenced in ENCLOSURE 9 titled AS SUBMITTED\_Alliance\_Global Automakers Comments re NHTSA Retooling Recalls Workshop\_May 29 2015.pdf; 77% is referenced in ENCLOSURE 5 and titled ISG Outreach FCA Slides 031015.pdf.

- 3) Vehicles which are no longer in service, at the end of their life cycle and could have been scrapped or stolen and parted-out are completely untraceable.

For these reasons, it is misleading to use production numbers as the denominator in recall completion rate calculations. Furthermore, it is unlikely that some campaigns, especially involving older vehicles, will ever approach 100% completion, if production volumes are used as the denominator.

Another major challenge the industry faces is indifference towards recall remedies. Within the outreach activities for the 13V-252 (N45 and N46) campaign, customers were asked to participate in a survey. The survey demonstrated a lack of concern by some customers who had not yet had their vehicle remedied. The second highest of 27 possible survey responses to the question "If I may ask, which of the following reasons best describes why you have not had the recall service completed?" was "did not consider issue important enough/wasn't priority." This survey response was given despite the Part 577 letter informing the customer that "The fuel tank on your vehicle has a chance of experiencing a fuel leak during certain types of rear end collisions. Fuel leakage in the presence of an ignition source can result in a fire." This same response was not unique to the 13V-252 (N45 and N46) campaign as is shown in Table 1. This may indicate that despite the enhanced communication from FCA US as well as the increased media attention, customers are choosing to not pursue the remedy fix regardless of the safety risk communicated to them. For vehicles utilized commercially, owners or operators may not deem the risk sufficient to take the vehicle out of service for the time required to remedy.

<b>"Did not consider the issue important enough/wasn't priority"</b>				
<b>Campaign</b>	<b>% responding that did not have the recall completed</b>	<b># of Customers surveyed</b>	<b># of Customers responding to question</b>	<b>% responding to question</b>
13V-252 (N45)	15.8%	43,832	4,708	10.7%
13V-252 (N46)	17.1%	65,461	9,570	14.6%
N28	26.1%	6,580	1,522	23.1%
N10	22.3%	1,933	340	17.6%
13V-038 (N08)	29.8%	7,028	1,788	25.4%
M31	29.8%	500	117	23.4%
14V-373 (L25)	37.0%	5,747	1,842	32.1%
L01	41.6%	11,168	4,510	40.4%
L27	28.3%	7,682	2,076	27.0%
M22	42.7%	1,496	612	40.9%
N01	32.1%	5,332	1,567	29.4%
M34	19.6%	3,807	672	17.7%
N23	31.6%	6,061	1,745	28.8%
N07	28.7%	1,391	365	26.2%
<b>Total/Average</b>	<b>28.8%</b>	<b>168,018</b>	<b>31,434</b>	<b>18.7%</b>

Table 1: Outreach survey results to the question "If I may ask, which of the following reasons best describes why you have not had the recall service completed?"

FCA US has also observed in both Outreach survey responses and customer inquiries to the call center some confusion related to the announcement and launch of recall campaigns. When FCA US is unable to

begin remedying vehicles within 60 days, an interim owner letter is sent to the owner per 49 CFR § 577.5. This letter provides notification to the customer about the safety defect, informs them that parts are not yet available, and what they will be contacted again via mail, with a follow up recall notice when parts become available. Customer call records indicate the information provided has caused some confusion.

### Special Order Recalls

FCA US has analyzed the pace, or expected pace, of all 20 recalls listed in this Special Order and categorized these recalls into three different groups: 1) Recalls on pace to achieve average recall completion rates; 2) Recalls at risk to achieve average recall completion rates; and 3) Recalls less likely to achieve average recall completion rates. FCA US continues to track campaigns past the required six quarters where it is observed that a campaign completion rate has not achieved a higher than average level.

#### 1) Recalls on Pace to Achieve Average Recall Completion Rates

Of the 20 recalls in this Special Order, 11 fall into the low risk category. At this time, FCA US does not anticipate or foresee issues in achieving at least average recall completion rates for any of these campaigns. All of these campaigns have been launched; however parts in some instances are not yet available as shown in Table 2.

Recall #	Description	Launched	Interim Letter	Final Letter	Remedy Initiated	Challenges
<b>14V-373 (R03)</b>	WIN / FOBK	YES	09/11/2014	05/29/2015	YES	NO
<b>15V-373 (R05)</b>	SABIC / Seat Bags	YES	N/A	03/09/2015	YES	NO
<b>15V-141 (R07)</b>	LA Fuel Rail	YES	N/A	04/23/2015	YES	NO
<b>15V-090 (R08)</b>	Park Pawl	YES	N/A	04/09/2015	YES	NO
<b>15V-151 (R09)</b>	Fuel Pump Relay	YES	04/29/2015	07/29/2015	NO	NO
<b>14V-391 (P36)</b>	Headliner/Visor Fire	YES	N/A	08/29/2015	YES	NO
<b>14V-749 (P74)</b>	Cluster Inop	YES	N/A	12/15/2014	YES	NO
<b>14V-634 (P60)</b>	Alternator	YES	12/08/2014	04/30/2015	YES	NO
<b>14V-567 (P57)</b>	WIN / FOBK	YES	11/17/2014	09/14/2015	NO	NO
<b>13V-038 (N08)</b>	Pinion Nut	YES	N/A	11/07/2013	YES	NO
<b>14V-438 (P41)</b>	Ignition Key	YES	09/15/2014	09/30/2015	NO	NO

Table 2: Recalls on pace to achieve average recall completion rates

#### 2) Recalls at Risk to Achieve Average Recall Completion

FCA US has analyzed the pace, or expected pace for seven campaigns and determined that there are some challenges which may prevent the achievement of the average recall completion rate (see Table 3). Each of these recalls include vehicles that have been in service at least nine years.

Recall #	Description	Launched	Interim Letter	Final Letter	Remedy Initiated	Challenges
14V-817 (P81)	Takata inflators	YES	Is now R25	07/10/2015	NO	Vehicle age, Confusion
15V-046 (R06)	ORC	YES	03/12/2015	01/23/2016	NO	Vehicle age, existing recall confusion
13V-527 (N63/R16)	Tie Rod	YES	01/16/2014	05/12/2015	YES	Vehicle age, Customer Indifference, Commercial use
14V-796 (P77)	Pinion Nut	YES	02/06/2015	06/10/2015	NO	Vehicle age. Outreach is planned
14V-795 (P80)	Clutch Spring	YES	02/10/2015	03/27/2015	YES	Vehicle age
13V-252 (N46)	Rear Structure	YES	01/30/2014	09/19/2014	YES	Vehicle age
13V-529 (N49)	Tie Rod	YES	N/A	01/16/2014	YES	Vehicle age, confusion between this recall and related recalls, Commercial use

Table 3: Recalls at risk to achieving average recall completion rates

3) Recalls Less Likely to Achieve Average Recall Completion

FCA US has analyzed the pace, or expected pace of these two campaigns and identified significant challenges which may prevent the achievement of the average recall completion rate (see Table 4). As NHTSA is aware, FCA US has responded to numerous requests from ODI on both of the following campaigns.

For 13V-528 (N62), FCA US supplied a response to AQ14-003 of October 20, 2014. This response detailed the actions FCA US was taking relating to: 1) Whether the remedy was effective, 2) The adequacy of the remedy pace, and 3) Responsibility for executing customer communication processes. FCA US refers NHTSA to the responses of December 12, 2014 and March 9, 2015.

For the 13V-252 (N45 and N46) campaign, FCA US and ODI have engaged in an unprecedented effort to find ways to improve the recall completion rates. In July, 2014 FCA US provided a response to a Special Order in connection with the execution of recall 13V-252 (N45 and N46). This response included the commitment to increase production capacity for remedy parts and enable achievement of higher recall completion rates. FCA US has prepared, at the request of NHTSA and produced numerous voluntary submissions and presentations focusing on the actions undertaken to increase campaign completion rates. In addition, representatives of FCA US have had at least 40 scheduled meetings, including seven face to face meetings with ODI at NHTSA's Washington D.C. headquarters. FCA US continues to update ODI regularly of recall progress and additional initiatives being taken to improve recall completion rates, particularly in N45 (13V-252).



Recall #	Description	Launched	Interim Letter	Final Letter	Remedy Initiated	Challenges
13V-528 (N62)	Tie Rod	YES	N/A	01/17/2014	YES	Equipment recall with no VIN traceability, vehicle age, Commercial use
13V-252 (N45)	Rear Structure	YES	01/21/2014	09/27/2014	YES	Vehicle age, incomplete or inaccurate owner information, vehicle registration, customer confusion and Indifference

Table 4: Recalls less likely to achieve average recall completion rates

Upon review, the recalls in this Special Order are not subject to any unique challenges in achieving maximum possible completion rates. The challenges faced are significant but common throughout the industry. It is clear that the maximum 'possible' rate is unique for each of the recalls subject to this response. Several campaigns have successfully used the company Outreach program campaign strategies to improve completion rates.

FCA US continues to track completion rates past the required six quarters and where lagging, takes action to increase completion rates. As evidenced by the response to question one of this Special Order, FCA US has taken extraordinary measures to improve the rates of 13V-252 (N45 and N46). FCA US will continue this practice to attain improved results.

#### 7. Provide an organizational chart of FCA employees involved in recall administration.

A7. The response to this request is located in ENCLOSURE 7 and titled Organizational Chart of FCA US Employees.pdf. FCA US has provided charts of the various organizations that directly and regularly participate in one or more aspects of recall administration as well as those who support the execution of recall campaigns through training development, training delivery, or communication.

In 2014, FCA US conducted an analysis to evaluate both the process and methodologies of the Product Investigations and Campaigns team, which includes the core recall administration function. As part of this nearly yearlong analysis, additional staffing needs were identified. FCA US added new positions within the organization, increasing the Product Investigations and Campaigns team staff by 65% since the 2<sup>nd</sup> quarter of 2014. FCA US has expanded the Product Investigations and Campaigns team to include an autonomous team dedicated to the interaction and response to NHTSA inquiries.

In addition to the above organizational adjustments, another major realignment occurred related to the recall administration structure of FCA US. In the past, the FCA US Regulatory Affairs Office operated as part of Vehicle Concepts and Integration, within the Vehicle Engineering group. Late in 2014, as an outcome of the external review process, it was recommended and ultimately adopted that the Regulatory Affairs department form a new standalone organization (VSRC). The leader of VSRC, a Senior Vice President, reports directly to the CEO. This new structure allows for more efficient, real time communication throughout the management team as well as provides enhanced focus on all aspects of vehicle safety.

Lastly, an announced change to the MOPAR organization will enhance coordination of and provide focus on cross-functional recall execution activities. Specifically, MOPAR has assigned a vice president to manage and coordinate all aspects of recall execution. FCA US believes this change, which is so recent it is not yet reflected on organization charts, will have an immediate effect.

**8. Describe in detail any training employees involved in recall administration receive regarding 49 C.F.R. Part 573 and/or Part 577. Provide a copy of any written training or guidance materials regarding 49 C.F.R. Part 573 and/or Part 577 used by employees involved in recall administration.**

A8. Training regarding 49 C.F.R. Part 573 and/or Part 577 has been provided to core recall administration team members. FCA US initiated a Part 573 Defect Information Report Authoring Workshop in June 2013 and completed the workshops in November 2013. The documentation resulting from the workshops continues to be available for use by VSRC. The training focused on understanding the requirements of the applicable regulations, and how to prepare a Part 573 Defect Information Report. During the workshops, each relevant section of 49 C.F.R. Part 573 was presented and discussed. Also during the workshops a template for Defect Information Reporting was created. Over the course of several workshop sessions, the Defect Information Report template was completed. As part of the template, notes, comments and questions were provided to assist in preparing a compliant Defect Information Report. A schedule of the Part 573 workshop and Safety Recall Portal training sessions is below:

- Fact Sheet 573, 579 Authoring Brown Bag Workshop #1 – 6/21/2013
- Fact Sheet 573, 579 Authoring Brown Bag Workshop #2 – 7/19/2013
- Fact Sheet 573, 579 Authoring Brown Bag Workshop #3 – 7/26/2013
- Fact Sheet 573, 579 Authoring Brown Bag Workshop #4&5 – 8/23/2013
- Fact Sheet 573, 579 Authoring Brown Bag Workshop #6 – 10/29/2013
- Fact Sheet 573, 579 Authoring Brown Bag Workshop #7 – 11/6/2013
- 573 Template Review #1 – 5/4/2015 staff meeting
- 573 Template Review #2 – 5/11/2015 staff meeting

Recall Administration Training:

Recall Administration continually provides training relevant to the creation of a Part 573 Defect Information Report and/or a Part 577 Owner Notification. New Product Investigators and Recall Administration team members are trained on all portions of the Extract Parameters document. Sections include the models involved, the model years involved, any specific sales code associated with the recall, and the markets involved in the recall. The Recall Administration Team utilizes this document when generating the Part 577 Owner Notification document. The Product Investigation team utilizes this document to generate the Part 573 Defect Information Report document/template.

In addition to the above training, those performing recall administration functions utilize NHTSA generated guidance documents for conducting recalls. These guidance documents include, but are not limited to, the "Safety Recall Compendium."

**DECLARATION OF SCOTT G. KUNSELMAN IN SUPPORT OF THE RESPONSES OF  
FCA US LLC TO THE NHTSA SPECIAL ORDER DIRECTED TO FIAT CHRYSLER  
AUTOMOBILES US LLC IN CONNECTION WITH AQ14-03**

I, Scott G. Kunselman, declare as follows:

1. I am Senior Vice President, Vehicle Safety & Regulatory Compliance, of FCA US LLC. I began working as a Chrysler Institute engineer for Chrysler Corporation in 1985.
2. I have undertaken and directed an inquiry reasonably calculated to assure that the answers to NHTSA's Special Order referenced above and the associated production of documents to NHTSA are complete and correct.
3. I have caused the books and records of FCA US LLC to be searched diligently for information and documents responsive to this Special Order in such locations where responsive information or documents are reasonably likely to be found, and have directed that such responsive information and documents be produced to NHTSA.
4. To the best of my knowledge and belief, all information and documents responsive to the inquiries provided by NHTSA in the Special Order referenced above have been identified, and a complete and correct response to the Special Order is being provided today, subject to prompt supplementation of certain files that are still in the process of being prepared in the specific format requested by NHTSA.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 1, 2015.

  
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SCOTT G. KUNSELMAN