TOYOTA

Christopher P. Reynolds Group Vice President and General Counsel Legal and Corporate Responsibility

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February 22, 2012

Ms. Louise Sams
Executive Vice President and General Counsel, TBS, Inc.
President, TBS International
Turner Broadcasting System, Inc.
CNN Center, 13 North Tower
Atlanta, GA 30303

Mr. Richard Davis
Executive Vice President of News Standards and Practices
One CNN Center
Atlanta, GA 30303

Dear Ms. Sams and Mr. Davis:

It is our understanding that CNN intends to air a story on your "Anderson Cooper" program which references prominently - - and inaccurately - - a misleading English translation of a Japanese language Toyota document produced in litigation, as well as an alleged recent claim of unintended acceleration by one of Toyota's customers, Mrs. Tanya Spotts. As discussed further below, the Event Data Recorder ("EDR") in her vehicle establishes irrefutable evidence that it was not an electronics defect that caused her low speed event while parking her vehicle.

Rather than informing the public of objective facts, the purpose of your story appears instead aimed at promoting the discredited, unproven theory that there is a defect in Toyota's electronic throttle control system which can cause unintended acceleration. Exhaustive scientific investigations by the National Highway Traffic Safety Administration, NASA and the National Academies of Science have thoroughly debunked this old canard. One highly respected industry expert has called it "the automotive equivalent of the grassy knoll." Nevertheless, a group of trial lawyers suing Toyota for money and their paid advocates are continuing their efforts to manufacture controversy where none exists and use media outlets like CNN as tools to serve their narrow, self-interested agenda.

We believe that CNN, as a major network news organization whose broadcasts reach millions of drivers across the nation, has an obligation to provide accurate, fair and balanced coverage

of important issues of public safety — and avoid sensationalism. Unfortunately, from everything we know about CNN's pending broadcast, it only foments sensationalism. The Japanese language document on which the broadcast appears to be premised references a stress test evaluation conducted on a prototype vehicle in development. Importantly, it describes a prototype testing condition that has never existed in any vehicle ever produced or sold by Toyota anywhere in the world. Moreover, as was explained by Toyota engineer Kristen Tabar during last week's taped interview with CNN, the document is not evidence of unintended acceleration but is instead representative of Toyota's due diligence in the development of the safety systems in its vehicles. CNN's reliance on its mistaken understanding of the document and on biased sources irreversibly infects the integrity and reliability of its broadcast. Toyota urges you to reconsider the broadcast and avoid embarrassment.

Toyota has repeatedly presented and explained several critical problems with CNN's translation and understanding of the document (I assume that the document and CNN's translation are readily available to you since CNN has provided it to us). The two most significant errors are (1) CNN has egregiously mistranslated the document, and (2) CNN has mistakenly characterized the document, its content and its purpose. Notwithstanding our repeated explanations, we have not received a satisfactory response from CNN about these flaws in CNN's apparent approach. CNN, we now know, will compound its errors by featuring in this story so-called "experts" and consumer "advocates" paid by lawyers now suing Toyota for money. We frankly do not understand why CNN will dismiss Toyota's explanations and instead rely upon and publicize the biased commentary of those with a financial interest in litigation against Toyota, with no scrutiny whatsoever of their motives or the support for their claims. This is particularly irresponsible in this situation when these so-called "advocates" for consumer safety will be -- at CNN's apparent behest -- relying upon a misleading translation of a Japanese language document, a document that by its very nature requires significant context, let alone an accurate translation, to evaluate fairly.

CNN Has Mis-Translated the Document Upon Which It Relies

CNN's latest translation of the document at issue is egregiously and inexplicably inaccurate. In the very first sentence, the CNN-endorsed translation contains the phrase "sudden unintended acceleration." This is simply astonishing - - and wrong. Those words are <u>nowhere</u> in the document referenced by CNN. The translation of "勝手に" should read "by itself" (as it does in the first translation provided to Toyota by CNN) or "on its own" and "発進" should read "starts out." The Japanese language for "sudden unintended acceleration" is "意図せぬ急加速" —

again, there is no reference whatsoever to "sudden unintended acceleration" in the original document.

In fact, the translator's own notes accompanying CNN's latest translation for this paragraph - "I added these words" based on my understanding of the context" (emphasis added) – reinforce the speculation and inaccuracy infecting the entire translation upon which CNN intends to rely. By "adding words" and assuming a "context" where neither correctly exists, the translator has become an editor or commentator with a particular – and fundamentally mistaken – point of view. If CNN has any sense of journalistic responsibility and fairness, it must explain (1) how the translation can be accurate in light of the objective Japanese written language characters cited above, and (2) how and from what source the translator derived his or her "understanding of the context." Only when CNN answers these and other questions adequately can the fundamental concerns about the broadcast's fairness be fully addressed. In the absence of these answers, Toyota can only assume that CNN is intentionally fabricating the term "sudden unintended acceleration" to provoke unfounded controversy from a document wholly unrelated to that topic.

CNN Has Ignored the Context of the Document

Just as CNN's mis-translation affects and infects the story, CNN's blithe dismissal of the document's context taints the story to its core. Toyota has told CNN repeatedly that the evaluation referenced in the Japanese language document and its results were performed and induced as a stress test on a prototype vehicle. The purpose of the stress test was to check the compatibility of two components - - the Engine Electronic Control Unit (ECU) and full range Adaptive Cruise Control ("ACC") ECU - - during the development stages of a prototype vehicle, i.e. before it went into production. The evaluation was a stress test intentionally designed to confuse the ACC interaction by artificially creating (and thereby simulating) a failed accelerator pedal sensor. Following the evaluation of this prototype, refinements were made to the full range ACC ECU. Thus, this developmental evaluation of a prototype vehicle in no way reflects any Toyota vehicle in the market, anywhere in the world. Indeed, vehicles with full range ACC are not even sold in the U.S. market.

Prototype testing of this type in which component failure is intentionally caused is <u>routinely</u> <u>performed by every automobile manufacturer</u> to ensure safety and reliability in the final product. This is routinely done in vehicle development even though the phenomenon artificially created in the test – a physical manipulation of the circuit causing an abnormal signal – does not occur in the real world. Among other reasons, Toyota does this testing to make

sure that the vehicle fail-safes operate as designed, as they did in this evaluation. These basic concepts of vehicle design and engineering – stress test, fail-safe, development stage and prototype evaluation – demand CNN's careful understanding before the broadcast. So far, despite Toyota's best and patient efforts, we see little evidence that CNN understands them at all.

Moreover, as Toyota has patiently and repeatedly explained, this "best practices" document that CNN has mis-translated was created for the purpose of sharing information about a specific engineering principle across various engineering groups within the company. Specifically, the evaluation was looking at the effect of an intentionally created abnormal accelerator pedal signal on the functionality of the full range ACC when the prototype vehicle was at a stop. The document in CNN's possession referencing the evaluation was created and disseminated to reinforce the importance of considering the compatibility of every electrical circuit when setting the appropriate threshold for detecting a fault or abnormality. This specific principle has broad application in the design of various functions accomplished through vehicle electronics. Because this document, like other such "best practices" documents, is intended to convey information about a particular engineering principle, it does not contain a detailed explanation of the test methodology used in the evaluation itself.

As we have advised you, what is <u>not</u> reflected in the document (because it functions only as a "best practices" advisory) is what actually occurred within the prototype vehicle:

- 1) while at a stop with the full range ACC engaged, the signal from the accelerator pedal was intentionally and physically disrupted (the duration of the physical disruption being approximately 100 milliseconds);
- 2) the full range ACC ECU then released the brake originally engaged by the full range ACC (this is the "wrong judgment" referred to in your latest translation);
- 3) within an additional number of milliseconds of the ACC brake being released, the full range ACC detected the vehicle in front of it and the brakes were once again applied by the full range ACC; and
- 4) in less than 500 milliseconds, a Diagnostic Trouble Code was triggered, the vehicle went into a fail-safe "limp home" mode, and the "Check Engine" light came on as designed. Because the entire sequence described above occurred in a matter of milliseconds, the vehicle did not physically move forward in any perceptible way.

As a result of the evaluation, the sensor detection level was changed within a range of hundreds of milliseconds to ensure that the ACC system was receiving and acting on accurate

signals from the accelerator pedal reflective of driver intent. <u>Even though this was a test of the pre-production ACC</u>, the evaluation shows that Toyota's electronics and fail-safes worked as <u>designed to prevent unintended</u> acceleration.

We are certain that CNN has not been provided with any reliable evidence that the condition shown in the span of milliseconds in the prototype vehicle evaluation occurs in the real world and causes uncommanded acceleration. If CNN mistakenly believes that it is in possession of such information, we would be happy to review it and clarify any misconceptions or misrepresentations made concerning such a scenario. We understand that CNN may rely on a vehicle cited in a recent blog from plaintiff's advocate Sean Kane as such a real-world example. For years, Mr. Kane has cited random, unverified consumer complaints as evidence to support his unwarranted fear-mongering on behalf of trial lawyers, and media outlets including CNN have quoted him without identifying his affiliation with these lawyers.

It is ironic and disheartening that a document which is actually evidence of Toyota's robust vehicle design and pre-production testing to ensure safety is the apparent centerpiece for CNN's broadcast. CNN's reliance upon and refusal to consider the accurate content and true context of this Japanese language document leaves us with the firm belief that the broadcast will consist of other inaccurate commentary cobbled together to leave the viewer with the impression that Toyota's vehicles are unsafe. This could not be further from the truth. Again, the exhaustive studies conducted by the NHTSA and NASA got it right – there is no evidence that Toyota's electronics can cause uncommanded acceleration. Our vehicles are safe. Indeed, we are gratified that Toyotas are once again widely recognized by leading independent evaluators as among the safest and most reliable in the world.

Mrs. Spotts' Event

We also understand that CNN's upcoming story will feature an accident involving Mrs. Tanya Spotts, who claims that her 2011 ES 350 experienced unintended accelerated as she was attempting to park in December 2011. As we explained in earlier discussions with your producer, we have evaluated the Spotts vehicle; this evaluation included a download of the pre-crash data from the EDR. The pre-crash data from the EDR establishes that Mrs. Spotts was traveling at approximately 9 mph at the time of impact. The EDR download also establishes that she applied the accelerator pedal multiple times in the seconds before impact and that she did not apply the brake pedal until approximately 0.4 seconds prior to impact. Moreover, the circumstances of Mrs. Spotts' event – a low speed collision while parking – are entirely consistent with pedal misapplication as confirmed by numerous informed studies of cases in which drivers have complained of unintended acceleration. These complaints are not unique to Toyota. In fact, in the calendar year 2011 alone, the NHTSA received complaints of low speed

unintended acceleration while parking for 12 manufacturers <u>other than</u> Toyota. There is simply nothing about Mrs. Spotts' incident that is even suggestive of an electronics defect in Toyota's vehicles.

CNN's course of conduct to date leads Toyota and any objective observer to the conclusion that CNN is part of and party to an attempt by lawyers suing Toyota for money to manufacture doubt about the safety of Toyota's vehicles in the absence of any scientific evidence whatsoever. Whether CNN's role in this attempt is inadvertent or purposeful does not matter. CNN is a patsy or journalistically irresponsible either way.

Accordingly, Toyota reserves the right to take any and every appropriate step to protect and defend the reputation of our company and its products from irresponsible and inaccurate claims made in CNN's upcoming broadcast.

Sincerely

Christopher P. Reynolds

Group Vice President and General Counsel