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# Automotive News

THE GM RECALL

## NHTSA boss says GM made 'incredibly poor decisions' on recalls

From wire reports

Automotive News | September 16, 2014 - 7:52 am EST

-- **UPDATED: 9/16/14 4:31 pm ET - adds details**

WASHINGTON -- The top U.S. auto safety regulator harshly criticized General Motors for not promptly reporting and recalling cars now linked to at least 19 deaths and said he has been meeting with top global automakers to develop a "new normal" for safety recalls.

In his most pointed comments to date about GM's lapses, David Friedman, deputy administrator of the National Highway Traffic Safety Administration, said the automaker put its own reputation ahead of the safety of its customers.

"GM very clearly made some incredibly poor decisions when it came to their culture," Friedman said in an interview Monday. "They were more worried about us [NHTSA] getting information about problems than they were about actually fixing problems."

Earlier on Monday, the chief of GM's victim settlement fund raised the number of deaths from accidents linked to the automaker's defective ignition switches to 19, up from 13.

Friedman's comments came ahead of his appearance today before a Senate panel in which he was grilled about his own agency's failure to connect the dots on years of consumer complaints and accident data about GM cars with a deadly ignition switch flaw.

A separate examination by a U.S. House panel also took the safety agency to task.

"NHTSA exists not just to process what the company finds, but to dig deeper, and they failed," Rep. Fred Upton, R-Mich., who is chairman of the House Energy and Commerce Committee, said in a statement. "We know for sure that NHTSA was part of the problem and is going to have to be part of the solution."

GM earlier this year recalled 2.6 million vehicles because of the risk the switches could unexpectedly turn off engines during operation and disable airbags.

Today's hearing, chaired by Sen. Claire McCaskill, D-Mo., focused on whether NHTSA is effectively implementing and enforcing highway and vehicle safety laws, and whether Congress should make additional reforms in the wake of GM recalls, said a staffer for the consumer protection subcommittee.

McCaskill has introduced legislation to increase NHTSA's authority to fine carmakers for safety violations.

Friedman said in the interview that his agency had started a program of "unprecedented oversight" with GM and other automakers.

"We're setting a system up where the minute they sneeze about a safety issue, we're able to be aware of it and make sure we understand how they're dealing with it," he said.

In recent months, Friedman said he has invited senior executives from 12 global automakers to talk about how to establish a "new normal" when it comes to recalls.

During those discussions, Friedman said he is "making clear that we have zero tolerance when it comes to automakers failing to act quickly and aggressively" on reporting and recalling defective cars.

Friedman told the Senate Commerce, Science and Transportation's consumer- protection subcommittee today that regulators are stepping up oversight of GM and other auto companies that fail to meet their legal obligations to report safety defects. This has included recent conversations with senior executives of 12 major manufacturers, Friedman said.

### **Bigger budget**

The White House is asking for more staffing and money for NHTSA's Office of Defects Investigation, Friedman said. The agency is also looking for updated technology to identify defect trends, he said.

"We are working to establish a new normal when it comes to how all automakers deal with safety recalls," Friedman said.

The U.S. Transportation Department's inspector general, Calvin Scovel, is also reviewing whether the agency acted properly before the GM recalls.

As part of a settlement in May with NHTSA, GM agreed to pay a \$35 million fine for its delayed response to the ignition switch problems. GM also was required to hold regular meetings with NHTSA to report on efforts to catch safety problems and it also must give the agency monthly reports on any emerging defect issues.

Friedman said GM had "a fundamentally flawed system and culture that was focused more on profits than on safety," but acknowledged the automaker has been overhauling its defect and recall reporting system under CEO Mary Barra.

He said the agency has been pressure-testing GM's revised system to make sure their new approach is rock solid.

"We ran them through their paces, ran them through a variety of scenarios," said Friedman. "We are trying to make sure that General Motors fundamentally changes both their practice and their culture" on finding and fixing defects.

GM did not respond immediately to a request for comment.

Friedman said he was "not shocked" by attorney Kenneth Feinberg's initial report Monday that he has approved 19 of 125 death claims made to a GM fund established to compensate families of victims who died in switch-related crashes.

*Reuters and Bloomberg contributed to this report.*



David Friedman, acting NHTSA administrator, on GM: "They

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