

GM makes minimal offer to crash victims

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The compensation expert hired by General Motors outlined a program Monday for minimal payouts to victims of a deadly ignition switch defect tied to fatal crashes.

Attorney Kenneth Feinberg said the payments would range from \$20,000 to several millions depending on the severity of the injury involved. Under the terms proposed by Feinberg, accident victims who accept the settlement offer will give up their right to sue GM.

The potential financial liability stemming from the automaker's deliberate concealment for more than a decade of a defect it knew to have caused scores if not hundreds of accidents was indicated by its announcement Monday that it was recalling an additional 8.2 million vehicles over the defective switch. The latest recall involves mainly mid-sized cars, rather than the economy models previously recalled.

Monday's recall brings the total number for the biggest US automaker so far this year to 29 million, more than the 22 million vehicles recalled last year in the US by all automakers combined.

GM hired Feinberg to develop a plan to settle legal liabilities resulting from its cover-up of the defect in the Chevrolet Cobalt, Saturn Ion and other low-cost models, so as to preempt far more costly jury awards. GM rightly fears that sympathetic jurors may hand accident victims massive damages given the egregious way the company disregarded public health and safety.

The ignition switch on affected models can be easily jarred out of the "run" position, killing power to the engine and disabling power brakes, power steering and airbags. Documents show that GM knew of the problem since at least 2001, but did not warn customers or order a recall until last winter. Since the exposure of the cover-up, GM has been involved in damage control aimed at limiting the company's financial exposure and shielding top executives from prosecution.

GM chose Feinberg because of his record of service on behalf of the US government and corporate lawbreakers. He has headed high-profile compensation programs, including for 9/11 victims, the BP oil disaster and the Boston Marathon bombing. In the BP case, he fought to limit claims by threatening victims with lengthy and costly litigation if they refused his offered damage awards.

In announcing the settlement proposal, Feinberg said compensation would be paid only to victims involved in crashes of recalled models where airbags did not deploy. He made clear, moreover, that it would be the responsibility of claimants to prove that the faulty ignition switch caused the accident. Such proof would include black box data showing that the car's ignition slipped out of the "run" position. It will be difficult to establish such proof since many of the accidents took place years ago.

Jonathan Michaels, a Newport Beach, California attorney, spoke to the *World Socialist Web Site* about the Feinberg proposal. Michaels represents the parents of Benjamin Hair, who died in the crash of his Pontiac G5 in December 2009, when airbags failed to deploy after his car hit a tree.

Michaels called the program "hollow." He explained: "From a PR perspective, it is good for GM. But in reality, few people are going to be able to take advantage of it. I fear people will be tied up in endless bureaucracy. They are forcing lay people to prove a case. There were many accidents that happened long ago where the victims will not be in a position to understand how the accident occurred--witness died and the evidence is gone."

He noted that in the case of Brooke Melton, whose death in 2010 led to a lawsuit that exposed the GM cover-up, the family would not be in a position to collect a settlement under Feinberg's proposal. Her accident involved a side impact collision in which

airbags would not be expected to deploy.

At a news conference following Feinberg's announcement, Laura Christian, the stepmother of crash victim Amber Marie Rose, noted that she was aware of at least one case where the driver had succeeded in restarting his vehicle moments before he crashed, leading to airbag deployment.

A spokesman from Feinberg's office admitted that GM was setting a high bar for death and injury claims. "This is going to be tough" she said. "People would be surprised by how significant the accident has to be before the front air bag deploys regularly. It is just amazing how much damage has to be done."

In outlining his proposed compensation scheme, Feinberg indicated payout amounts would be based on the calculated "worth" of a life, determined by projected lifetime earnings. For example, the death of a 17-year-old student living at home with no dependents would be valued at \$2.2 million. But a 25-year-old earning \$75,000 a year with two dependents would net \$5.1 million.

Ken Rimer, the stepfather of Natasha Weigel, spoke to the WSWS about the Feinberg settlement proposal. Weigel, age 15, died in 2006 when the Cobalt in which she was riding lost power and crashed in rural Wisconsin.

On what GM offered, Rimer said, "It is not even close to being worth talking about." He noted that in two previous out-of-court settlements related to the ignition defect, the company had agreed to pay \$5 million each. "That was before they even had knowledge of what GM was doing."

Rimer derided Feinberg's offer to base payouts on potential future earnings. "You can't put a dollar sign on it. [Natasha] had \$6 in her wallet when she died. We didn't lose any money from her death."

In some cases, crash survivors face massive medical costs. For example, eleven-month-old Trenton Buzard was paralyzed from the waist down in a crash involving a Cobalt air bag non-deployment that killed his grandmother and her 13-year-old granddaughter. A doctor hired by the family's attorney determined that the cost of lifetime accommodation and treatments for Buzard would be nearly \$32 million.

In a bid to further apply pressure on claimants to accept a quick settlement, GM is seeking enforcement of the legal shield provided by the 2009 bankruptcy of

the company, which protects the company from claims arising from accidents that took place before the bankruptcy filing.

To date, GM has acknowledged only 13 deaths related to the defect. However, the actual number may be many times that figure.

An internal GM document released last week by a US House committee shows that GM engineers tallied 800 accidents involving the Cobalt and Ion in which airbags failed to deploy. A review of the National Highway Traffic Safety Administration database revealed that 1,752 people died in crashes involving the now-recalled vehicles.



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