

# US safety regulators aided GM in cover-up of deadly defects

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The National Highway Traffic Safety Administration (NHTSA), the supposed government watchdog over the auto industry, failed to order a recall of General Motors vehicles with deadly ignition defects even though it had evidence for years demonstrating the cars were not safe to drive. Instead, the agency gave Chevrolet models involved in a massive safety recall earlier this year its highest five-star safety rating.

A report by the US House of Representatives Committee on Energy and Commerce investigating the GM scandal documents that the NHTSA brushed aside reports indicating that several GM models, including the Chevrolet Cobalt and Saturn Ion, were prone to sudden engine stalling. Due to low torque in the key cylinder, the ignition could easily be jarred out of the run position killing power to the engine and steering, and disabling airbags in the event of a crash.

GM knew of the problem since at least 2001, but did not issue a warning to customers or order a recall. However, the cover-up by the company was aided and abetted by the NHTSA, which repeatedly turned a blind eye to evidence of fatal crashes involving non-deployment of air bags in the Cobalt.

As early as 2007, “NHTSA had ample information to identify a potential safety defect,” the House report notes. The agency did not identify similarities in three independent investigations it commissioned into frontal crashes involving Cobalts where the airbags did not work. The report further stated that the NHTSA appeared to have been unaware of the basic workings of the airbag systems it was supposed to be regulating, not recognizing the airbags would not deploy if the ignition was turned off.

In particular, the report drew attention to the investigation carried out by a Wisconsin state trooper in 2007 into a fatal crash involving a 2005 Cobalt in

which airbags failed to deploy. The trooper stated, “The ignition switch on the [subject’s] vehicle appears to have been in the accessory position when it impacted the trees preventing the airbags from deploying.” It noted that the NHTSA website had posted five complaints by Cobalt owners of the engine suddenly switching off while the car was running. However, no one in NHTSA appears to have drawn any conclusions or taken any action.

A report in the September 15 edition of the *New York Times* notes that by 2014, when GM finally initiated its recall, the NHTSA had received more than 2,000 complaints related to stalling in the Cobalt and other recalled vehicles.

The NHTSA’s refusal to act in the case of GM is part of a pattern of indulgence shown to all the major car manufacturers. In fact the *New York Times* reports it has been 35 years since the NHTSA last used its legal authority to force a manufacturer to recall cars.

Last year, the NHTSA did somersaults to accommodate Chrysler over the recall of Jeep models with gas tanks prone to explode in rear impact collisions. After initially suggesting a 2.7 million-vehicle recall, the agency reduced its request to 1.6 million vehicles. Further, the NHTSA agreed to Chrysler’s proposal to install a trailer hitch on the rear of the vehicles to provide additional protection to the gas tank rather than changing the position of the gas tank, a far more expensive fix.

At least 51 deaths are tied to the gas tank defect and the number could be as high as 160, according to the consumer group Center for Auto Safety. After arranging the deal, former NHTSA head David Strickland resigned from the agency to take a job with a law firm that lobbies on behalf of Chrysler and other automakers.

The new acting head of the NHTSA, David Friedman, vigorously defended the agency's actions in relation to the GM recall in hearings before the Senate on Tuesday. Friedman rejected any suggestion of negligence or failing on the part of government regulators in the GM ignition scandal. Friedman denied anything was amiss at the agency, attempting to shift the entire blame for the debacle onto GM, which, Friedman claimed, should have provided more information.

Under questioning by the Senate panel, Friedman also rejected the suggestion that engine stalling was a safety issue independent of its effect on airbag deployment. "If a consumer can safely pull a vehicle over to the side of the road and restart that vehicle, that's a situation where the consumer can be safe," Friedman claimed.

GM had classified engine stalling a "customer satisfaction" issue rather than a safety issue, in order to avoid bringing the Cobalt ignition switch issue to the attention of the NHTSA. In this context, Friedman's remarks amounted to agreement with GM's cover-up.

Under further questioning, Friedman was unable to state the number of times the agency had issued subpoenas to auto manufacturers for information relating to safety issues over the past 10 years. In fact, the issuance of subpoenas by the NHTSA is a rare occurrence. At a Senate committee hearing in April, Friedman claimed he did not even know the safety agency had subpoena powers.

Friedman went on to defend provisions of a 2000 law that requires automakers to report any claims of serious death or injury as a result of vehicle defects, but makes the response of automakers to questions about the cause of the accident voluntary. As a consequence, in the vast majority of cases the auto companies choose not to answer.

Summing up the NHTSA's attitude Friedman declared, "we don't want to hinder innovators."

The NHTSA chief's responses painted a picture of a government agency in thrall of the companies it is charged with regulating. No one has been held to account by the agency for its failure to red flag the ignition defect or order a recall.

Despite election year posturing by House and Senate members who presented themselves as defenders of the travelling public, no serious proposals for reform were forthcoming from either body. The House report merely

chastised the NHTSA for lack of "focus and rigor."

For their part, Senate investigators did not propose any sanctions against NHTSA, let alone demand that Friedman be dismissed. Over the past decades both Democrats and Republicans have systematically dismantled government oversight of consumer and occupational health and safety, in the process converting bodies such as NHTSA into little more than public relations fronts for the businesses they are supposed to monitor.

The NHTSA spends about one percent of its budget, \$10.61 million in 2014, on safety defect investigation. That is considerably less than GM CEO Mary Barra's annual compensation package. A much larger portion of NHTSA's funds go to support the activities of the police and courts, in the form of grants to the states for traffic enforcement.

As for NHTSA's vehicle safety rating program, it is a favorite marketing tool for the auto companies. NHTSA has reportedly issued its top 5-star rating to two-thirds of the 2015 models it has rated so far. From 2001 to 2010, 87 percent of all ratings were four or five stars.



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