

# Tread carefully OEMs: NHTSA gets serious

By: Rachel Boagey in [Analysis](#), [OEMs & Markets Analysis](#), [Safety Analysis](#) May 22, 2015

It has been a year since General Motors entered into an agreement consenting to oversight from the National Highway Traffic Safety Administration (NHTSA) in terms of how the OEM handles recalls, but now the safety group has announced that it is keeping the OEM under strict oversight for at least another year.

The extended oversight – presented to GM in a letter dated 14 May – is due to GMs untimely recall of around 2.6 million cars with faulty ignition switches, which led to 104 deaths and nearly 200 injuries. The agreement requires GM to continue to report all safety-related issues to NHTSA and meet with the agency regularly.

“GM learned a hard lesson last year,” said US Transportation Secretary Foxx. “We expect to see the improvements they’ve made continue and that their new approaches are applied to every GM safety issue and every recall. Today’s action will help keep them on the right track.”



GM has recalled around 2.6 million cars with faulty ignition switches

## Crackdown

The announcement of extended oversight for GM is NHTSA's third announcement in a week highlighting its stricter crackdown approach on timely recall reporting. The safety agency has also announced a public hearing on 2 July to investigate whether FCA US has issued the required notices for certain recalls and provided timely proceedings to remedy for the safety defects.

Under heavy pressure from NHTSA, and in a move which is predicted to lead to [the largest automotive recall in US history](#), Japanese airbag manufacturer Takata has agreed to double the number of vehicles it has previously recalled in the US to nearly 34 million due to a fault in its airbag products.

## 2014 – the year of recalls

2014 became known as the year of recalls, with many NHTSA fines presented to OEMs that failed to present recalls to the agency in a timely manner. May 2014 saw GM hit with a US\$35m fine after it was revealed that the company knew about the fatal ignition switch failures for more than a decade before reporting them to NHTSA. Last year, the federal agency also fined South Korean OEM Hyundai US\$17.4m for failing to issue a recall in a timely manner. Ferrari was fined US\$3.5m for failing to report incidents that included three fatalities.

The new head of the safety agency, Mark Rosekind, has continued to send a clear message to OEMs that 2015 was the mark of a fresh start for automotive safety. Early this year NHTSA announced that it would fine Honda a total of US\$70m in two separate penalties for grossly underreporting fatal accidents and injuries to the government, a fine that presented a new record for the regulator.



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### **Improvement needed**

The recent announcements indicate a shift for NHTSA, which for years has been criticised by safety advocates as being too lax on the industry it oversees. In 2009 NHTSA opened an investigation into Takata's airbags, only to close it six months later due to what it described as "insufficient evidence." The group has also faced broad criticism that it acted too slowly and timidly on the defective GM ignition switch recall.

Speaking to *Automotive World* at the height of the GM ignition switch recall, Sean Kane, Founder and President of Safety Research & Strategies, said, "The ignition switch recall appears to have been motivated by the exposure of GM's knowledge of the defect. In order to have effective enforcement NHTSA needs to have a better systematic approach to its process."

Previously a Research Scientist at NHTSA, Louis V Lombardo is now Principal at Louis V Lombardo LLC where he researches automotive safety on his website named "Care for Crash Victims" – a project of a small business public benefit enterprise with a mission to improve care for crash victims before, during, and after a crash. Speaking to *Automotive World* about NHTSA's crackdown on OEMs, Lombardo noted, "The recent moves by NHTSA are welcome steps forward. But too late for past and for future crash victims while these defective vehicles remain on the roads unfixed. More tragedies are foreseeable. We just don't know how many, who, where, and when."

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