Written Testimony of General Motors Chief Executive Officer Mary Barra Before the House Committee on Energy and Commerce Subcommittee on Oversight and Investigations "The GM Ignition Switch Recall: Why Did It Take So Long?" April 1, 2014

INTRODUCTION

Chairmen Murphy and Upton, Ranking Members DeGette and Waxman, members of the committee...

My name is Mary Barra, and I am the Chief Executive Officer of General Motors.

I appreciate the opportunity to be here today.

More than a decade ago, GM embarked on a small car program. Sitting here today, I cannot tell you why it took years for a safety defect to be announced in that program, but I can tell you that we will find out.

When we have answers, we will be fully transparent with you, with our regulators, and with our customers.

As soon as I learned about the problem, we acted without hesitation. We told the world we had a problem that needed to be fixed. We did so because whatever mistakes were made in the past, we will not shirk from our responsibilities now and in the future. Today's GM will do the right thing.

That begins with my sincere apologies to everyone who has been affected by this recall... especially to the families and friends of those who lost their lives or were injured. I am deeply sorry.

I've asked former U.S. Attorney Anton Valukas to conduct a thorough and unimpeded investigation of the actions of General Motors. He has free rein to go where the facts take him, regardless of the outcome. The facts will be the facts. Once they are in, my management team and I will use his findings to help assure this does not happen again. We will hold ourselves fully accountable.

However, I want to stress that I'm not waiting for his results to make changes.

I've named a new vice president for Global Vehicle Safety, Jeff Boyer (announcement is included below). This is a first for GM. Jeff's first priority is to quickly identify and resolve any and all product safety issues. He is not taking on this task alone. I stand with him. My senior management team stands with him. And we will welcome input from outside GM — from you, from NHTSA, from Mr. Valukas' findings, from our customers, from our dealers, and from our current and former employees.

This latest round of recalls demonstrates just how serious we are about the way we will do things at the new GM. We identified these issues. We brought them forward and we are fixing them. I have asked our team to keep stressing the system at GM and work with one thing in mind — our customers and their safety are at the center of <u>everything</u> we do.

CUSTOMERS

Our customers who have been affected by this recall are getting our full and undivided attention. We're talking directly to them through a dedicated website, with constantly updated information, and through social media platforms. We've trained and assigned more people to our customer call centers, and wait times are down to seconds. And, of course, we're sending customers written information through the mail.

We've empowered our dealers to take extraordinary measures and to treat each case specifically—and they are doing a great job taking care of our customers. Here's what we are doing with our dealers: if people do not want to drive a recalled vehicle before it is repaired, dealers can provide them a loaner or rental car — free of charge. If a customer is already looking for another car, dealers can provide an additional cash allowance for the purchase or lease of a new vehicle.

Our supplier is manufacturing new replacement parts for the vehicles that are no longer in production. We have commissioned two and asked for a third production line, and those parts will start to be delivered to dealers as soon as possible.

These measures are only the first in making things right and rebuilding trust with our customers. As I've reminded our employees, getting the cars repaired is only the first step. Giving customers the best support possible throughout this process is how we will be judged.

I would like this committee to know that all of our GM employees and I are determined to set a new standard. And I am encouraged to say that everyone at GM—up to and including our Board of Directors—supports this.

I'm a second-generation GM employee and I'm here as the CEO, but I'm also here representing the men and women who are part of today's GM and are dedicated to putting the highest-quality and safest vehicles on the road.

I recently held a town hall meeting to formally introduce our new VP of global vehicle safety to the company. We met at our Technical Center, one of the places where the men and women who engineer our vehicles work. They are the brains behind our cars, but they are also the heart of GM.

It was a tough meeting. Like me, they are disappointed and upset. I could see it in their faces, and could hear it in their voices. They had many of the same questions that I suspect are on your minds. They want to make things better for our customers, and in the process, make GM better.

That's what I'm committed to doing.

I would now be happy to answer your questions.

Thank you.

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GM Announces New Vehicle Safety Chief

Jeff Boyer named Vice President, Global Vehicle Safety

DETROIT – General Motors CEO Mary Barra today named a new vehicle safety leader whose first priority will be to quickly identify and resolve product safety issues.

Jeff Boyer, has been named to the newly created position of Vice President, Global Vehicle Safety, effective immediately. Boyer, who has spent nearly 40 years in a wide range of engineering and safety positions at GM, will have global responsibility for the safety development of GM vehicle systems, confirmation and validation of safety performance, as well as post-sale safety activities, including recalls.

Boyer will provide regular and frequent updates on vehicle safety to Barra, senior management and the GM Board of Directors.

"Jeff's appointment provides direct and ongoing access to GM leadership and the Board of Directors on critical customer safety issues," said Barra. "This new role elevates and integrates our safety process under a single leader so we can set a new standard for customer safety with more rigorous accountability. If there are any obstacles in his way, Jeff has the authority to clear them. If he needs any additional resources, he will get them."

"Nothing is more important than the safety of our customers in the vehicles they drive," said Boyer. "Today's GM is committed to this, and I'm ready to take on this assignment."

Boyer, 58, will report to John Calabrese, Vice President of Global Vehicle Engineering and become a member of Global Product Development staff, led by Mark Reuss, Executive Vice President, Global Product Development, Purchasing and Supply Chain.

Boyer began his GM career in 1974, as a co-op student and has held several senior engineering, safety and process leadership positions, including the role of a total vehicle integration engineer. His most recent position since 2011 was Executive Director of Engineering Operations and Systems Development. Before that, Boyer served as Executive Director of Global Interior Engineering and Safety Performance where he was responsible for the performance and certification of GM vehicle safety and crashworthiness. He holds a Bachelor of Science in Electrical Engineering from Kettering University and a Masters of Business Administration from Michigan State University.