

**Opening Statement of the Honorable Tim Murphy
Subcommittee on Oversight and Investigations
Hearing on “The GM Ignition Switch Recall: Investigation Update”
June 18, 2014**

(As Prepared for Delivery)

Ms. Barra, when you were before this committee almost three months ago, you could not answer many of this subcommittee’s questions about why it took General Motors years to figure out why the airbags in its Cobalts, Ions, HHRs were not deploying when they should have. It took GM years before finally issuing a safety recall.

And now, Mr. Valukas has made public his report on the GM fiasco in which he concludes there doesn’t appear to be a case of a cover-up or a conspiracy. Instead, according to Mr. Valukas’ report, GM’s failure to recall faulty vehicles was a case of “incompetence and neglect.”

I still have questions about whether GM employees knowingly withheld information during previous liability lawsuits — information that could have led to an earlier recall and prevented some of these tragedies from occurring.

In many ways the facts surrounding what finally resulted in the GM recall are far more troubling than a cover-up. GM engineers and attorneys who were given the facts — including reports on stalls and airbag malfunctions — and who were tasked with figuring out what went wrong — didn’t connect the dots. That’s because they were either incompetent or intentionally indifferent.

Today, I want to know from both Ms. Barra and Mr. Valukas not just how it happened but why did this happen.

Even when a good law like the TREAD Act of 2000 is in place it requires people to use common sense, value a moral code, and have a motivation driven by compassion for it to be effective. Here the key people at GM seemed to lack all of these in a way that underscores that we cannot legislate common sense, mandate morality, nor litigate compassion. At some point, it’s up to the culture of the company that has to go beyond paperwork and rules.

The failures at GM were ones of accountability and culture. If employees do not have the moral fiber to do the right thing, and do not have the awareness to recognize when mistakes are being made, then the answer must be to change the people or change the culture.

That’s a lesson another large organization under congressional scrutiny should also take to heart; I hope officials from the Department of Veterans Affairs are watching.

What is particularly frustrating about GM is that the company appeared in no great hurry to figure out the problems with its vehicles. Despite customer complaints, reports from GM’s own engineers that they were able to turn off the ignition switch with their knees during test drives, and finally reports of deaths — it wasn’t until 2009 that GM figured out the airbags had any connection to the power mode status of the car.

Then, it took another four years to link that finding to one of the components that determines the power mode - the ignition switch. And that discovery was not a result of GM’s own investigative work, but raised in the course of a lawsuit brought by the family of a young woman who died behind the wheel of a Cobalt.

How was this discovered?

An investigator for the family simply took two ignition switches apart and compared them — something GM failed to do during the over seven years of investigations into the mystery of Cobalt airbag non-deployments.

Ms. Barra — you sought this internal investigation of the ignition switch recall and you have publicly acknowledged how troubling its findings are. Your company has cooperated with this committee's investigation. You have taken corrective action by changing procedures and trying to remove roadblocks to make sure safety concerns come to light. Based on this report, though, there are no easy fixes for the kinds of systemic, cultural breakdowns and fundamental misunderstandings that permitted GM engineers not to suspect a safety problem when Cobalts were stalling due to a faulty ignition switch.

The possibility that these problems are pervasive and cultural deeply concerns me. We learned Monday that GM has announced yet another recall – it's thirty-ninth since January. This one is hauntingly similar to the Cobalt ignition switch recall. The ignition switch in certain Buicks, Chevys, and Cadillacs inadvertently moves out the "Run" position if the key has too much weight on it, causing the car to lose power and stall. The model years for the recalled vehicles goes back to the year 2000.

Mr. Valukas — your report tells us about the engineering and legal failings with GM, but what it doesn't divulge is whether GM attorneys made conscious decisions during discovery in other product liability lawsuits that prevented the truth from coming out sooner and potentially saving lives. That kind of malfeasance would be the crux of a cover-up. I want to delve deeper into that issue today.

A harder question to answer — and for you, Ms. Barra to solve — is why did this happen. We know engineers approved a part that did not meet specifications. Why? Was it a cost concern? Was it a rush to get a car on the road? Was it just sloppy? When complaints were raised about the Cobalt's ignition switch almost as soon as the car was on the road, why did engineers not diagnose stalling as a safety problem? Again, was this a lack of basic education about how the car worked — or is it something less specific, but more difficult to address: a culture that does not respect accountability and that does not take responsibility for problems. When investigations drifted for years, there seems to be little to no evidence to suggest that this troubled anyone. Some of this is undoubtedly poor information sharing and silos – and a failure to properly document change orders. But why didn't anyone at GM ask: we have known for years we have an airbag system that isn't working when it should— when are we going to do something about it?

Ms. Barra and Mr. Valukas, I thank you for being here today and I look forward to your testimony.

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