Testimony of Mary T. Barra Before the Subcommittee on Oversight and Investigations House Committee on Energy and Commerce June 18, 2014

Thank you, Mr. Chairman.

I appreciate the chance to appear before you again today on the ignition switch recall issue.

When I was here 11 weeks ago, I told you how we intended to proceed with this matter. I promised that we would conduct a comprehensive and transparent investigation into the causes of the ignition switch problem. I promised we would share the findings of the report with Congress, our regulators, NHTSA, and the Courts. I promised we would hold people accountable and make substantive and rapid changes in our approach to recalls. Finally, I promised we would engage Ken Feinberg to develop a just and timely program for compensating the families who lost loved ones and those who suffered serious physical injury.

We have done each of these things and more. And I welcome the opportunity to discuss them with you further.

The Valukas report, as you now know, is extremely thorough, brutally tough and deeply troubling. It paints a picture of an organization that failed to handle a complex safety issue in a responsible way. I was deeply saddened and disturbed as I read the report. For those of us who have dedicated our lives to this company, it is enormously painful to have our shortcomings laid out so vividly. There is no way to minimize the seriousness of what Mr. Valukas and his investigators uncovered.

On June 2, Mr. Valukas presented the findings of his investigation to the Board of Directors of General Motors. I will leave it to Mr. Valukas to comment on his report. For my part, I want you to know my reaction to the report and some of the actions I have taken since receiving it.

1. After reviewing the Valukas report, we made a number of personnel decisions. Fifteen individuals identified in the report are no longer with the company.

- We have restructured our safety decision-making process to raise it to the highest levels of the company, addressing a key point in the Valukas report that critical information was kept from senior management. Under the new system, that problem should never be repeated.
- 3. We announced the creation of, and have implemented, a new Global Product Integrity organization that will enhance our overall safety and quality. And, we are taking an aggressive approach on recalls as we are bringing greater rigor and discipline to our analysis and decision-making process regarding recalls and other potential safety-related matters. This is difficult, but it is absolutely the right thing to do. As I have told our employees, this is the new norm.
- 4. As we discussed last time, we engaged Ken Feinberg to review options for establishing a compensation fund, and that process is moving forward rapidly. Mr. Feinberg has full authority to establish eligibility criteria for victims and determine compensation levels. He has indicated he will share the final criteria with us by the end of the month. We also expect to begin processing claims by August 1.
- 5. We created a new position of VP of Global Safety and appointed Jeff Boyer, a highly respected expert in the field, to the position. I have personally told Jeff he will have whatever resources he needs to do this job. In fact, we have named a senior attorney to serve as his chief legal adviser.
- 6. We added 35 safety investigators that will allow us to identify and address issues much more quickly.
- 7. We instituted a Speak Up For Safety program encouraging employees to report potential safety issues quickly. And we are going to recognize employees when they do so. More than a campaign or program, it's the start of changing the way we think at GM.

Two weeks ago, I purposefully addressed an audience of 1,200 employees at our Vehicle Engineering Center about the report. This address was simultaneously broadcast to all GM facilities around the world. I told our team as bluntly as I knew how, that the series of questionable actions and inactions uncovered in the investigation were inexcusable.

I also told them that while I want to solve the problems as quickly as possible, I never want anyone associated with GM to forget what happened. I want this terrible experience permanently etched in our collective memories. This isn't just another business challenge. This is a tragic problem that never should have happened. And it must never happen again.

This report makes a series of recommendations in eight main areas. I have committed the company to act on all of the recommendations, and we are moving forward on many of them already.

Finally, Mr. Chairman and Members of the Committee, I know some of you are wondering about my commitment to solve the deep underlying cultural problems uncovered in this report. The answer is I will not rest until these problems are resolved. As I told our employees, I am not afraid of the truth.

And I am not going to accept business as usual at GM. It's time — in fact, it's past time — to debunk the myths in our company so we can unleash the full power of our 200,000 employees, our 21,000 dealers and our 23,000 suppliers.

We are a good company, but we can and must be much better. That's my focus and that's my promise to you, our employees, our customers, our shareholders and the American people.

Thank you again for having me here today.

I am pleased to take your questions.