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Brittany Havens
Legislative Clerk
Committee on Energy & Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Ms. Havens:

As General Motors Vice President of Global Government Relations, I write to you on behalf of GM in response to the July 14, 2014, Member requests to GM's CEO Mary T. Barra. Because no single person at GM was involved in all of the events and issues covered by the questions, the attached answers reflect input from different personnel and sources within GM. GM appreciates the opportunity to address the Members' questions and to cooperate with the Committee's inquiry.

Sincerely,

A handwritten signature in black ink that reads "Lee R. Godown".

*Committee on Energy and Commerce
Subcommittee on Oversight and Investigations
U.S. House of Representatives
“The GM Ignition Switch Recall: Investigation Update”*

*GM’s Responses to Additional Questions for the Record
and Member Requests for the Record*

Attachment I - Additional Questions for the Record

The Honorable Tim Murphy

1. What is an appropriate black box design change?

RESPONSE:

GM is not certain of the meaning of this question. Design changes are not normally referred to as “black box design changes.” For purposes of this response and Questions 2 – 6 below, GM assumes that “black box” refers to a part (*e.g.*, an assembly, electrical device, mechanical device, or control module) for which design responsibility belongs to the supplier. Black box requirements established by an OEM such as GM are generally limited to those characteristics/items required for customer interface connections and verification of functional requirements, and the supplier would then be responsible for the specific design to meet those requirements.

Any design change that affects the fit, form or function (electrical, mechanical or otherwise) must be approved by GM, whether as part of a black box part or not.

2. Do individual engineers have responsibility for making this determination?

RESPONSE:

GM does not understand this question as it is phrased. As noted above, changes are not referred to as “black box design changes”; nor does GM understand what “determination” is referred to here.

3. How does GM track black box design changes?

RESPONSE:

GM is not certain of the meaning of this question. Design changes are not normally referred to as “black box design changes.” The usual process for tracking design changes – whether or not associated with a black box part – is that once a part is released for preproduction applications, changes are tracked in the Engineering Work Order (EWO) system, known as E².

- 4. Does a design change being “Black Box” change how it was categorized or documented – or whether a new part number should have been assigned?**

RESPONSE:

GM is uncertain as to the meaning and scope of this question. Design changes are not normally referred to as “black box design changes.” The change process for black box parts are normally the same as for other parts.

- 5. Is there a way for investigators to identify these changes in GM's system when they are doing a root cause analysis?**

RESPONSE:

GM is uncertain as to the meaning of this question, but, in response, notes that investigators have the ability to query EWOs on the E² system.

- 6. Do investigators conducting a root cause analysis know where to look for a black box change?**

- a. **Was this the practice at the time of the Cobalt investigation?**

RESPONSE:

See Response to Questions 1 – 5 above. The practice is that changes are captured in the E² database which the investigators can query. This process was in place at the time of the Cobalt investigation.

- 7. It is the Committee's understanding that Delphi was a self-certified supplier. What does this mean? How do self-certified suppliers differ from other suppliers?**

RESPONSE:

In certain circumstances, GM can designate a supplier as “self-certified” with respect to the Production Part Approval Process (PPAP) for a given part. In that event, the supplier is permitted to submit documentation for PPAP and achieve final approval status without any further GM sign-off. The supplier is still required to follow the standard PPAP process. It is likely that a GM supplier quality engineer would still be engaged with the supplier throughout the Advanced Product Quality Planning process (APQP) and PPAP, as PPAP is the final step of APQP before approving a part, even though a GM representative would not perform the final PPAP sign-off.

8. Does it have any influence on the PPAP approval process?

RESPONSE:

See Response to Question No. 7, above. Where a supplier is self-certified for the Production Part Approval Process (PPAP), that supplier is required to comply with all aspects of the PPAP process including the requirements for final approval of the specific part at issue.

9. In GM's opinion, does Delphi have any responsibility for what happened here?

RESPONSE:

GM does not have access to complete information regarding all aspects of Delphi's actions and knowledge related to the ignition switch design and manufacturing, but, as a general matter, integration of parts is the responsibility of GM as the OEM. GM cannot at this time, however, assess what legal responsibility Delphi may have.

10. Following the March 2007 meeting with NHTSA, Product Investigations reviewed claims relating to non-deployment in the Cobalt and Ion. Within a month, Product Investigations evaluated the issue at an Investigation Status Review meeting and subsequently ended their investigation.

a. Why did Product Investigations not pursue this matter at the time?

RESPONSE:

Our understanding is that GM personnel had inconsistent recollections as to whether the Product Investigations group ("PI") became involved in the Cobalt airbag non-deployment issues at this stage. Brian Everest reported that a PI engineer named Eric Buddrius examined the Cobalt airbag matter in April 2007. Documents in Mr. Buddrius's files indicate he was working on the issue, and a May 4, 2007 Investigation Status Review ("ISR") Presentation Planning Worksheet states that Mr. Buddrius was scheduled to present on an issue described as "Cobalt/Ion Airbag (NHTSA discussion item)," but we also understand that Mr. Buddrius had no recollection of involvement.

11. After the Product Investigators declined to investigate, the responsibility for tracking these claims was assigned to the Field Performance Assessment division.

a. Why was this assigned to FPA and who made this decision?

RESPONSE:

Our understanding is that it is not clear that Product Investigators declined to investigate. According to Brian Everest, following GM's March 2007 meeting with NHTSA, Keith Schultz directed Mr. Everest and Mr. Sprague, both engineers in FPA, to compile information on Cobalt and Ion NISMs and lawsuits, and asked Dwayne Davidson to pull TREAD data for similar incidents. At some point thereafter, GM understands that Mr. Sprague began compiling a spreadsheet listing various Cobalt airbag non-deployment incidents he had reviewed. Mr. Sprague stated that no one specifically asked him to track Cobalt non-deployments.

b. Why were they asked only to track Cobalt non-deployments? Why did they not track Ions even-though NHTSA raised concern about that model and Product Investigations included it in their review?

RESPONSE:

As noted above, our understanding is that the extent to which Product Investigations reviewed the issue at that time is not clear. We understand that GM personnel have stated that NHTSA had not made a formal request of GM and did not ask GM to report back to it about the non-deployment issue. It appears that Mr. Sprague initially compiled information relating to both Cobalts and Ions.

c. Is this a typical assignment for the FPA group? If so, please provide similar examples of where FPA has been tasked with tracking specific claims after Product Investigations declined to pursue a particular issue.

RESPONSE:

We are not aware of evidence that Product Investigations "declined" to investigate the non-deployments.

12. Since the announcement of the GM ignition switch recall, your company and others have issued dozens of recalls for everything from windshield wipers to airbags and fire-risks. GM alone has announced over 40 recalls in this calendar year. This attention to addressing safety issues, no matter how small, is refreshing however; I am interested in your perspective on how this flood affects customer response or public attention to safety recalls, in general.

- a. **Based on your experience, what is the average return rate for vehicles subject to a recall?**

RESPONSE:

Return rates can vary. The following table is based on a review of NHTSA completion reporting of Safety and Non-Compliance recalls in recent years that have completed 6 quarters of reporting. In the table, “Composite Completion” is calculated by summing all VIN’s from all recalls that have been completed in the reporting period divided by all VIN’s that are subject to the recall. “Average Recall Completion” is the average of the individual recall completion rates. Please note that the data for 2013 includes only 7 of 24 recalls (*i.e.*, the recalls that have completed 6 quarters of reporting).

RECALL YEAR	Composite Completion	Average Recall Completion
2010	76%	79%
2011	93%	90%
2012	81%	86%
2013	95%	97%
2010 to 2013	79%	86%

- b. **At some point, does the volume of recalls diminish their effectiveness, in terms of customer returns?**

RESPONSE:

GM sends out required communications regarding recalls, including customer-specific communications for each vehicle involved in a recall. An individual customer receives recall information only for his or her specific vehicle, not all recalls that GM performs. It is too early to determine the impact of the 2014 recall volume on responsiveness, but GM will monitor the completion rates for the recalls announced this year. This question raises a potential industry-wide issue. As previously discussed, GM believes that a national VIN database may improve the effectiveness of recalls.

- c. How do we strike a balance between addressing safety concerns without diminishing the effectiveness of the recall process as a whole?**

RESPONSE:

GM is committed to addressing safety concerns without regard to the number of recalls required in any given time period. If there is evidence of diminishing effectiveness of recalls, GM would be pleased to work with the Committee and with NHTSA to address possible solutions.

- 13. As part of the consent order with NHTSA, GM agreed to take a number of steps, including monthly meetings with NHTSA about the safety plans it is putting in place to address the failures of the ignition switch recall.**

- a. Have those meetings begun?**

RESPONSE:

Yes, regular face-to-face meetings have been occurring generally on a weekly basis since the early April timeframe. In addition, regular communications in the form of email and phone conversations generally take place multiple times per week. These meetings and discussions generally involve representatives from the GM Global Vehicle Safety organization, GM Public Policy organization and NHTSA Office of Defects Investigation organization, along with some additional subject matter experts as appropriate to specific topics. These regular meetings address the specific requirements of the Consent Order.

- b. What information is GM sharing about its cars that it was not sharing before?**

RESPONSE:

In addition to the information GM shared previously, GM is sharing details of all OIR (Open Investigation Reviews) on a monthly basis, one page summaries of all Safety and Field Action Decision Authority recall decisions in advance of the required form 573, additional details in the quarterly Death and Injury (D&I) reporting associated with TREAD / EWR, advance copies of videos utilized to improve recall repair completion, details of our new Speak Up for Safety program and our new Safety Field Investigation process for emerging issues, and bi-weekly updates for service part availability and vehicle repair completion for the Cobalt / associated vehicles ignition switch related recall. We have also shared our ideas and suggestions for creative communication techniques to help improve recall completion, utilizing new tools and approaches to connect with traditionally difficult-to-reach customers.

- c. Based on this experience and the lessons learned from this recall, how can GM and other manufacturers improve their interactions with NHTSA?**

RESPONSE:

Frequent and clear communication with NHTSA is critical in understanding recall issues, at the staff and leadership level for both the manufacturer and NHTSA. Open sharing of data and technical details is critical for understanding of, and agreement on, engineering issues, remedies and safety concerns.

The Honorable Morgan Griffith

- 1. Does General Motors intend to structure its Victims' Compensation fund to include compensation for victims in instances where the vehicle's air bag did not deploy, and also in the cases when the vehicle stalled while being driven, which is a proximate cause of accidents such as the accident described in pages 115-118 of the Valukas Report?**

RESPONSE:

If the claimant was a driver, a passenger, a pedestrian, or the occupant of another vehicle, in an accident in one of the eligible vehicles (as indicated in the Protocol), and the ignition switch defect is determined by Mr. Feinberg to be the proximate cause of the death or physical injury, the claimant will be eligible for compensation. If the air bag or seatbelt pretensioners deployed in any form of accident, then the claimant will be ineligible.

- 2. Does General Motors intend to pursue protection in bankruptcy court under the theory that these problems were under "the old GM" in order to limit the pool of claimants under GM's Victims' Compensation Fund?**

RESPONSE:

No, there will be no bankruptcy protection applied under the Feinberg program – if a claimant is eligible under the Protocol, regardless of when the claim arose, s/he may be eligible for compensation under the Program.

The Honorable Lee Terry

1. **Ms. Barra, you have stated on numerous occasions in the press over the past several months that the new GM is committed to a “New Industry Standard for Safety.”**

a. **Are you aware of any contractual restriction(s) that would prohibit essential OEM data that has significant impacts on safety from not being made available, in an integral format, to the professional automotive industry?**

RESPONSE:

GM is uncertain as to the meaning and scope of this question. For purposes of responding, GM assumes that “OEM data” refers to data owned and controlled by GM and that “professional automotive industry” means other OEMs and GM’s suppliers. Given the potential breadth of the question it is difficult to provide a precise answer; however, as a general matter, GM is not aware of contractual restrictions that would prohibit GM from sharing essential data owned or controlled by GM that has significant impacts on safety with other OEMs or GM’s suppliers. In light of the ambiguity of the question, GM cannot state with certainty that there are no contractual restrictions that might be responsive to this question.

b. **Do you believe that sharing this information would increase safety?**

RESPONSE:

Please see response to part (a) of this question. GM believes that sharing of information that has significant impacts on safety could increase safety, and that at the same time confidential business information, intellectual property and other proprietary information should be appropriately protected.

Attachment 2-Member Requests for the Record

During the hearing, Members asked you to provide additional information for the record, and you indicated that you would provide that information. For your convenience, descriptions of the requested information are provided below.

The Honorable Diana DeGette

1. **During the hearing, I asked that you supplement your answer to what you are doing, not just to change the structure and put these safety programs together, but to change the culture of the company so that the company rewards people reporting problems. Please provide those specifics to the committee.**

RESPONSE:

Constant, consistent communications with employees, along with strong tone at the top by leadership, are an integral piece of changing the culture. This has been, and continues to be, a priority at GM.

In May, GM launched a new, global Speak Up for Safety program and a new Global Safety organization. We employ various means to remind employees about the importance of speaking up for safety, and include regular leadership messages on our intranet encouraging employees to act with integrity and speak up when needed. In June, we conducted a 24-hour online chat in which any employee could chat directly with our top senior leaders, including Mary Barra, about any topic they wished.

Our recognition of Speak Up for Safety submissions occurs on a quarterly basis and is managed by the same team that oversees our Speak Up for Safety program. We have developed a variety of recognition methods. These forms of recognition include thank-you emails or phone calls from senior and direct leaders, recognition in local department meetings from area leaders, intranet articles featuring employees who provided submissions, meetings or lunch with Mary Barra, and a semi-annual award (such as a plaque) for the most critical submissions.

When we rolled out the new Speak up for Safety program, employees were not aware that they may be recognized, or even how that might occur. This approach was important for us, because in changing the culture, we wanted employees to speak up regardless of what they will personally gain from doing so. Based on the submissions we have received so far, we are confident we were successful in that goal.

2. **Will the people who receive payment through Mr. Feinberg's compensation program be required to release their legal claims?**

RESPONSE:

Yes.

The Honorable Kathy Castor

1. **The Valukas Report refers to the Board's commitment to improving the quality of GM's vehicles through a bonus plan for corporate officers and employees at the executive, director, and supervisor levels. Part of whether the calculation for whether a bonus would be payable was improvement in the quality of GM's vehicles. Did you receive bonuses through this bonus program during the last decade while the ignition switch issues were ongoing with GM? If so, how many years did you receive those bonuses?**

RESPONSE:

During the past decade, General Motors Corporation and General Motors Company had both short-term and long-term incentive compensation plans. Payouts for each of the plans were based on various factors. For each year, quality measures comprised a portion of the metrics for only the short-term incentive compensation plan. For the calendar years 2003-2013, Ms. Barra received a short-term incentive compensation award in four of those calendar years – 2003, 2004, 2006, and 2007. During the years in which GM was subject to TARP compensation restrictions, Ms. Barra was not eligible to receive a short-term incentive compensation award.