

Toyota To Testify Before Congress Over Recalls

Elaine Kurtenbach, AP Business Writer

TOKYO (AP) — Toyota's president Akio Toyoda, under fire for his handling of sweeping recalls, will testify before a congressional hearing next week, appealing to U.S. lawmakers and aggrieved customers for understanding while the company fixes its safety problems.

Japanese officials praised the decision by Toyoda, grandson of the company's founder, to accept a formal invitation to explain the recalls and outline plans by the world's largest automaker to ensure safety and satisfy worried car buyers.

"I will be happy to attend. I will speak with full sincerity," Toyoda told reporters Friday in Nagoya, near where the company is headquartered.

"I am hoping our commitment to the United States and our customers will be understood," said Toyoda.

Toyoda said he will cooperate with U.S. regulators looking into recalls of over 8 million vehicles worldwide, including top-selling models like the Corolla, the Camry and the Prius hybrid.

Earlier this week, he said he did not plan to attend the hearings unless invited. That decision drew heated criticism in the United States. On Thursday, he agreed to a request to attend from the chairman of the U.S. House of Representatives Committee on Oversight and Government Reform, Rep. Edolphus Towns, a Democrat from New York.

"It was not just up to me to decide," Toyoda told reporters in televised remarks.

The decision won accolades from Japanese officials.

Japan's transport minister, Seiji Maehara, said he welcomed Toyoda's decision. Maehara has urged Toyota to heed the concerns of its customers, and he said it was important for the company to explain the safety lapses.

It's crucial to prevent the recalls from fueling political friction, said Japan's foreign minister, Katsuya Okada.

"I hope Toyota will soon regain the trust of their customers around the world," Okada told reporters Friday.

"Although this is a matter of one individual company, we wish to back them up as much as we can as it could become a national issue," he said.

The U.S. side is launching a fresh investigation into Corolla compacts over potential

Toyoda To Testify Before Congress Over Recalls

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

steering problems, widening the crisis over recalls for sticking gas pedals, accelerators getting jammed in floor mats and momentarily unresponsive brakes.

At stake is the Toyota brand name and the loyalty of legions of customers whose trust in the company's once impeccable quality has been deeply shaken.

"He's got to demonstrate to regulators, congressmen, customers, dealers, employees that Toyota recognizes there's a problem, they are contrite about it and they're going to fix it," said Jeff Kingston, director of Asian Studies at Temple University in Tokyo.

Toyoda has been chastised for a tepid response to the recalls, and Toyoda initially was accused of being largely invisible as the recalls escalated. But he has held three news conferences in recent weeks, apologizing repeatedly for the safety problems and promising changes.

Toyoda already had planned a U.S. visit to meet with American workers and dealers, though the company had planned to send North America chief executive Yoshi Inaba to the congressional hearings.

The desire to avoid the spotlight was understandable, say some analysts. Others contend that only someone from Toyota headquarters could fully answer questions over the design and engineering of the equipment requiring fixes.

"Obviously, the hearing will be nasty. It's a political showplace for those congressmen so I'm sure you are going to see all sorts of unfriendly questions," said Koji Endo, managing director at Advanced Research Japan.

Toyoda's schedule for traveling to the United States was not immediately available.

Towns, the committee chairman, told Toyoda in his invitation that motorists were "unsure as to what exactly the problem is, whether it is safe to drive their cars, or what they should do about it."

Towns said late Thursday that Toyoda would be joined by Inaba and Jim Lentz, president of Toyota Motor Sales USA.

The Transportation Department's preliminary investigation into steering problems at highway speeds will encompass 487,000 Toyota Corolla and Corolla Matrix compacts from the 2009-2010 model years. The government has received 168 complaints and reports of 11 injuries and eight crashes on the Corolla and Matrix compacts with electric power steering.

Toyota has said it is looking into complaints of power steering difficulties with the vehicle and considering a recall as one option.

Reports of deaths in the U.S. connected to sudden acceleration in Toyota vehicles have surged recently, with the toll of fatalities allegedly attributed to the problem reaching 34 since 2000, according to new consumer data gathered by the

Toyota To Testify Before Congress Over Recalls

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

government.

Toyota's appearance will come more than a year after the leaders of General Motors, Chrysler and Ford sought support for the U.S. auto industry and were scolded for traveling to the hearings in private jets. The invitation to Toyota essentially forced him to testify or face a subpoena.

Toyota faces questions from three committees in Congress. The House Energy and Commerce Committee moved its scheduled hearing up to Feb. 23, one day ahead of the Oversight Committee meeting. The energy panel has invited Lentz and David Strickland, head of the National Highway Traffic Safety Administration, to testify. A Senate hearing, chaired by West Virginia Sen. Jay Rockefeller, is planned for March 2.

Congressional investigators and the Transportation Department have demanded documents related to the Toyota recalls, seeking information on how long the automaker knew of safety defects before taking action.

Toyota has promised an outside review of company operations, better handling of customer complaints and improved communication with federal officials. The company has provided about 50,000 pages of documents to congressional investigators and is answering questions from staff members, said Josephine Cooper, Toyota's group vice president for public policy and government and industry affairs.

Toyota's testimony will give the company a chance to clarify, and apologize.

"He has to be extremely well-prepared to take responsibility. He should take the full force of the most hostile criticisms he gets and welcome them," said Jeffrey Sonnenfeld, senior associate dean at the Yale School of Management.

Associated Press writers Ken Thomas in Washington and Yuri Kageyama and Mari Yamaguchi in Tokyo contributed to this report.

Source URL (retrieved on 04/27/2015 - 7:03am):

http://www.impomag.com/news/2010/02/toyoda-testify-congress-over-recalls?qt-digital_editions=0