

House Committee Challenges Gov't Response On Volt

Frederic J. Frommer, Associated Press

WASHINGTON (AP) — A GOP-led House committee is challenging the Obama administration's investigation into Chevy Volt batteries that caught fire last year, raising questions about whether the government's partial ownership of General Motors Co. created a conflict of interest.

"Questions have been raised as to whether or not GM receives special deference from the administration because of its status as a ward of the state," said the report by the Republican staff of the House Committee on Oversight and Government Reform prepared in connection with a hearing Wednesday. The report added: "The Obama administration has tied the political reputation of the president closely to the success of GM generally, and to the Chevy Volt specifically." The government still owns 26.5 percent of GM's shares.

The National Highway Traffic Safety Administration began studying the Volt last June after a fire broke out in one of the cars three weeks after it was crashed as part of safety testing. Two other fires related to separate safety tests occurred later, and NHTSA opened an official investigation into the vehicle on Nov. 25. The government ended its investigation last week, concluding that the Volt and other electric cars don't pose a greater fire risk than gasoline-powered cars. The agency and General Motors Co. know of no fires in real-world crashes.

In prepared testimony for Wednesday's hearing, NHTSA administrator David Strickland said that if anything, regulators were extra vigilant in this case.

"It is important to note that the agency rarely opens a defect investigation without data from real-world incidents," he said. "By taking this uncommon step of opening a defect investigation with no available field data, NHTSA sought to ensure the safety of the driving public with emerging electric vehicle technology."

The staff report said it was "deeply troubling" that safety regulators waited several months before telling the public that a Volt battery caught fire three weeks after a government crash test. The fire happened in June but was not made public until November — "a period of time that also coincides with the negotiation over the 2017-2025 fuel economy standards," the report states, adding that it was possible that those negotiations "incentivized NHTSA to remain silent on the issue."

But in a recent letter to committee chairman Darrell Issa, R-Calif., Strickland said that the agency's investigation into the Chevy Volt "is completely unrelated to the fuel economy standards rulemaking."

In an email Tuesday, NHTSA spokeswoman Lynda Tran said that following the June

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fire, the agency needed to determine through careful forensic analysis whether the Volt was the actual cause — and if so, what the implications were for safety — and that took time.

"If at any time during this process we had reason to believe that vehicle owners faced any imminent safety risk we would have made that point known to the public right away," she said.

But some critics have criticized the government's response, accusing it of having a conflict of interest. Wednesday's subcommittee hearing of the House Oversight and Government Reform is titled, "Volt Vehicle Fire: What Did NHTSA Know and When Did They Know It?"

The report also accuses NHTSA officials of not cooperating with its investigation and of being unprepared to respond to car battery risks.

GM chairman and CEO Daniel F. Akerson is also scheduled to testify at Wednesday's hearing.

In written testimony, Akerson said that testing by government regulators resulted in fires "after putting the battery through lab conditions that no driver would experience in the real world."

The company advised Volt owners to return their cars to dealers for repairs that will lower the risk of battery fires. GM hopes that, by adding steel to the plates protecting the batteries, it will ease worries about the car's safety. The cars are covered by a "customer satisfaction program" run by GM, which is similar to a safety recall but allows the carmaker to avoid the bad publicity and federal monitoring that come with a recall.

"The Volt is safe," Akerson said.

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