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STATEMENT BY STEPHEN H. KAPLAN  
GENERAL COUNSEL, U.S. DEPARTMENT OF TRANSPORTATION  
SUBCOMMITTEE ON LABOR  
COMMITTEE ON LABOR AND HUMAN RESOURCES  
UNITED STATES SENATE  
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Good morning, Mr. Chairman. I am Stephen H. Kaplan, General Counsel of the United States Department of Transportation. As you know, Secretary Peña is representing President Clinton at a trade conference in Taiwan, and therefore is unable to appear here today.

I appreciate your providing me the opportunity to discuss the Department's settlement of our investigation of possible defects with General Motors C/K pickup trucks. I ask that a copy of the letter agreement between the Department of Transportation and General Motors Corporation be included in the record at the conclusion of my remarks.

With me today from the National Highway Transportation Safety Administration ("NHTSA") are:

Don Bischoff, Associate Administrator for Plans and Policy;  
George Parker, Associate Administrator for Research and Development;  
Bill Boehly, Associate Administrator for Enforcement.

These three individuals were of great assistance to the Secretary throughout the process, and can respond to detailed questions that you may have.

Secretary Peña believes he has no greater responsibility than to protect and improve the safety of the traveling public. There is no question that he places it over and above all of his other responsibilities. It is that commitment that kept him from going along with earlier suggestions to close the investigation. That commitment, which made him search over the last year to find a way to produce the greatest public benefit from this situation, led him to this settlement. The settlement of the General Motors C/K pickup investigation will improve auto safety, save hundreds of lives and prevent thousands of injuries on our nation's highways. This settlement is a common sense action that is a victory for safety and clearly serves the public interest.

Far more lives than could ever have been saved by proceeding with the investigation were saved by negotiating this settlement. Alternatives to settling the case paled in comparison. To proceed with a recall would have involved years of litigation, a very uncertain outcome, and prevented few, if any, deaths. Closing the investigation, as had been recommended, would have seriously damaged the victims' litigation now proceeding against GM.

This settlement commits GM to providing \$51,355,000 on important safety programs identified as priorities by the National Highway Traffic Safety Administration. It establishes a

comprehensive program, which I will now discuss.

- ▶ First, GM will commit \$8 million to the purchase of approximately 200,000 child safety seats for low-income families whose children most often go without the protection offered by these seats. NHTSA estimates that this action alone will save 50 lives, and prevent over 5,000 injuries among our most vulnerable travelers, our children.
- ▶ Second, GM has committed to supporting enhanced industry-wide standards that will reduce the likelihood of fires in accidents. Our goal is to develop standards that reflect real-world conditions that will involve test speeds of approximately 40 miles per hour.
- ▶ Third, GM has committed to spending \$11.85 million on public education programs, focused on enacting important seat-belt and drunk driving legislation across the country. We continue to lose over 17,000 lives a year to the tragedy of drunk driving. By expanding specific and proven programs, NHTSA estimates that we can save over 500 lives annually. Similarly, expanding proven, effective seat belt programs can save more than 200 additional lives. As part of this commitment, GM will work with safety advocacy groups to advance initiatives through public service announcements, targeted projects such as North Carolina's "click it or ticket" program, and other means.
- ▶ Fourth, GM will commit \$10 million to establish a joint fire-safety research laboratory with DOT. This research effort will focus on the development of new materials and test procedures for reducing the likelihood of post-crash fires.
- ▶ Fifth, GM is committing \$5 million to expand research into treatment of burn and trauma victims. This will help emergency teams respond more effectively when accidents do occur.
- ▶ Sixth, GM is committing \$5 million for human factors research, including the effects of alcohol, drugs, and aging on drivers. It is critical that, as we continue to improve technology, we also understand how drivers respond, as well.
- ▶ Seventh, GM will commit \$6.5 million for biomechanics research and the development of improved crash-test dummies so that we can better understand the impacts of crashes and how to design vehicles to more effectively protect people in the future.
- ▶ Eighth, GM will commit \$5 million for computer-based design modelling of injuries and accidents arising from fire, trauma, and exposure to toxic substances. It is expected that this research will help develop more effective test dummies.

This eight-part program will be coordinated through NHTSA, and will reflect NHTSA's ongoing programmatic commitments. It will save hundreds of lives, and prevent thousands of injuries.

This package was put together by the professionals at NHTSA. On behalf of the Secretary, I want to thank everyone at NHTSA for their hard work throughout this process.

I would now like to take a few moments to comment on some issues that have been raised since the settlement was announced. First, let me emphasize that the decision on how to proceed was Secretary Peña's. This investigation was a regulatory matter, and was treated as such by the Department of Transportation, the Justice Department, and the White House.

Further, there have been recent allegations that additional information was about to be made available to the Department that might have influenced the outcome of this investigation. Mr. Chairman, the public docket in this investigation has been open for two years. It contains well over 100,000 pages of documents. We went to great lengths to ensure that the record was as complete as possible. For example, we recently subpoenaed and deposed a former General Motors engineer who purported to have new information on the trucks. The Secretary insisted from the beginning that this record be full and thorough, and that the Department explore all avenues for proceeding with the investigation. I confidently state that we did exactly that.

I know some would have preferred to see this process move forward. The reality is that proceeding with the recall process would have taken years in the courts. During all that time, the trucks would have remained on the road, unaffected by our actions as the litigation continued. Our legal analysis was that, at a minimum, it would have taken four years to litigate this case to the end. Even if the Government were ultimately successful, the number of trucks then subject to the recall would have been greatly diminished.

On the other hand, with this settlement, hundreds of lives will be saved - beginning today, not years from now. It will allow the Department to make important advances in auto safety that will mean greater safety for millions of Americans on our highways.

This investigation presented complex factual and legal matters. There were unique circumstances that suggested a different way of resolving the issues. The settlement was a common-sense solution and a victory for safety.

Thank you very much. I would be pleased to answer any questions that the Subcommittee might have.

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