

Capital Reporting Company
Public Hearing 07-02-2015

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PUBLIC HEARING TO DETERMINE WHETHER FIAT CHRYSLER HAS
REASONABLY MET ITS OBLIGATIONS TO REMEDY RECALLED
VEHICLES AND TO NOTIFY NHTSA, OWNERS, AND PURCHASERS
OF RECALLS

Washington, D.C.

Thursday, July 2, 2015

Transcript of proceedings taken at the
offices of the National Highway Transportation
Safety Administration, 1200 New Jersey Ave SE,
Washington, D.C., before Nancy J. Martin,
RMR/CSR, of Capital Reporting Company, beginning
at 11:15 a.m.

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1 A P P E A R A N C E S

2

3 On behalf of NHTSA:

4 FRANK S. BORRIS II

5 JENNIFER TIMIAN

6 SCOTT YON

7 JOSHUA NEFF

8 JUSTINE CASSELLE

9

10 PUBLIC SPEAKERS:

11 BYRON BLOCH

12 CLAY THOMPSON

13 CLARENCE DITLOW

14 JENELLE EMBREY

15 ROBERT STRAUSBURGER

16 TODD ANDERSON

17

18 FOR FIAT CHRYSLER:

19 SCOTT KUNSELMAN

20

21

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E X H I B I T S

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A Written Statement of Joshua Neff, July 2,
2015, 16 pages

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(Exhibit attached to transcript.)

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1 P R O C E E D I N G S

2 MR BORRIS: Good morning. Thank you all for
3 coming today. Thank you for your patience. My name
4 is Frank Borris. I'm the Acting Administrator for
5 Enforcement of the National Highway Traffic Safety
6 Administration. I'm the chair of today's public
7 hearing to determine whether Fiat Chrysler has met its
8 obligations under the National Motor Vehicle Safety
9 Act to remedy recalled vehicles and to notify NHTSA
10 and vehicle owners of its recalls.

11 I hereby call to order this public hearing
12 pursuant to Title 49 of the United States Code,
13 Sections 30118(e) and 301201(e) and 49 C.F.R.
14 Section 557.7.

15 Again, I want to thank you for your patience
16 today as we are starting later than our scheduled
17 time. Our plan today is to stay on agenda, and we
18 understand that this will make for a long day, and we
19 appreciate and would like you to remain in the
20 hearing, but if you need to step out for some reason,
21 that is understandable. Again, thank you for your
22 patience.

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1 The purpose of today's hearing is to address
2 NHTSA's concerns about the significant safety hazards
3 posed to consumers in connection with Fiat Chrysler's
4 administration and execution of its recalls. As
5 stated in NHTSA's June 22, 2015 federal register
6 notice, NHTSA has tentatively concluded that Fiat
7 Chrysler has not remedied vehicles in a reasonable
8 time and has not adequately remedied vehicles. NHTSA
9 has also tentatively concluded that Fiat Chrysler has
10 not notified vehicle owners about recalls in a timely
11 manner and has not submitted information to NHTSA
12 about its recalls that is timely, correct, complete,
13 and in the required form.

14 In today's testimony and written statements,
15 we will be addressing 23 Fiat Chrysler recalls. Those
16 23 recalls are listed on our website,
17 WWW.SAFERCAR.GOV/RECALLSPOTLIGHT. We have also
18 placed information on the 23 recalls in our public
19 docket for this proceeding.

20 Please be aware that we have a court reporter
21 present who is transcribing today's hearing. For
22 anyone who speaks today, it is important that you

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1 start off by stating your name so that the court
2 reporter can make an accurate transcript. We will
3 place a copy of the hearing transcript into the public
4 docket at a later date.

5 The public docket for this hearing is
6 available at WWW.REGULATIONS.GOV. The docket number
7 is NHTSA-2015-0047. The docket contains the notices
8 of today's hearing that were published in the Federal
9 Register and other documents related to the subject
10 matter of this hearing. Written comments that NHTSA
11 received in response to the hearing notice are also
12 available in the public docket. Please be patient
13 because the Department of Transportation's docket is
14 experiencing a backlog. And so it may take several
15 days for documents submitted to the docket to be
16 publicly available.

17 Now, before we get started, there are a few
18 administrative matters. As you are aware from coming
19 to the building today, visitors to the Department of
20 Transportation must be escorted at all times. For
21 that reason, as I mentioned earlier, we ask that you
22 do not leave the hearing while it is in progress. The

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1 plan is to stay on the agenda. But if you have to
2 leave, do so only if absolutely necessary. If you do
3 need to leave the hearing early, please look for a
4 member of our staff with an escort tag -- an escort
5 name tag to assist you. I also want to remind you to
6 please silence your cell phones and other devices at
7 this time.

8 I would like now to introduce a few of the
9 NHTSA staff members present at the hearing today.
10 Sitting next to me is Justine Casselle, an attorney in
11 NHTSA's Office of the Chief Counsel. The Chief
12 Counsel has designated Justine as our legal officer
13 for today's hearing.

14 We also have three NHTSA employees who will
15 be testifying today about Fiat Chrysler recalls.
16 First is Jennifer Timian. Jennifer is the Acting
17 Director of NHTSA's Office of Defects Investigation
18 and the Chief of the Recall Management Division.

19 You will also hear, seated in the middle,
20 from Mr. Scott Yon, an engineer in the Office of
21 Defects Investigation who heads up the Vehicle
22 Integrity Division. Lastly, you will hear from NHTSA

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1 witness, Josh Neff, Senior Safety Recall Analyst in
2 NHTSA's Recall Management Division.

3 Jennifer, Scott, and Josh are here today to
4 represent NHTSA's professional staff, and each of them
5 has a substantial role in overseeing Fiat Chrysler
6 recalls.

7 Today's hearing is open to the public, and
8 all interested persons were invited to register to
9 give a presentation of information, views, and
10 arguments on the subject matter of this hearing. To
11 be clear, today's hearing is about Fiat Chrysler's
12 performance of its obligations under the Safety Act in
13 its current recalls. We are not considering here
14 today whether there are additional vehicles that
15 should be recalled. We have a different statutory
16 process for making those determinations. By no means
17 does this hearing address all of the issues the agency
18 is currently evaluating with respect to the Fiat
19 Chrysler, including potential safety-related defects
20 in Fiat Chrysler vehicles.

21 So for those of you who registered to speak
22 today, please keep your comments focused on Fiat

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1 Chrysler recall performance. We have seven members of
2 the public who registered to speak today. Due to time
3 constraints, we notified they have up to 5 minutes for
4 their remarks. We will be strictly enforcing this
5 5-minute limitation. This may not be the Academy
6 Awards, but we will turn off the audio if we need to,
7 in order to stay on schedule. Public speakers will be
8 able to see a monitor showing their remaining time,
9 and I will let them know when their time has expired.

10 Due to the time constraints today, we will
11 accept any additional written comments submitted to
12 the docket through July 17.

13 The order for members of the public to speak
14 is based on the order in which they registered. I
15 will call them up to the table in front when it is
16 their turn.

17 In addition to the members of the public who
18 registered to speak today, we also have invited Fiat
19 Chrysler to make a presentation. Scott Kunselman,
20 Senior Vice President for Vehicle Safety and
21 Regulatory Compliance at Fiat Chrysler, will be making
22 a statement.

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1 Finally, Jennifer Timian, who I introduced
2 earlier, will give brief closing remarks before I
3 adjourn today's hearing.

4 I want to remind everyone that our hearing
5 procedures do not allow witnesses to be
6 cross-examined. That includes our NHTSA witnesses.
7 They are not here to answer questions.

8 One other note before we begin: Fiat
9 Chrysler's formal corporate name is FCA US LLC. As
10 many of you know, this is a new name as of December
11 2014. Many of the recalls we are talking about here
12 today go back in time before December 2014. For
13 clarity, we are going to use the Fiat Chrysler name
14 today regardless of whether we are talking about FCA
15 US LLC or its Chrysler predecessors.

16 Okay. Let's get started. As I mentioned,
17 first up is Jennifer Timian.

18 MS. TIMIAN: Good morning. I'm Jennifer
19 Timian, acting director of NHTSA's Office of Defects
20 Investigation and Chief of the Recall Management
21 Division. I have worked at NHTSA since 2000 and in
22 the Office of Defects Investigation since 2006.

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1 NHTSA is the federal agency responsible for
2 ensuring the safety of the 250 million motor vehicles
3 in the United States. NHTSA enforces the Safety Act,
4 Chapter 301 of Title 49 of the U.S. Code. The Safety
5 Act requires manufacturers to recall vehicles or motor
6 vehicle equipment that contain a defect related to
7 motor vehicle safety or that fail to comply with
8 Federal Motor Vehicle Safety Standards.

9 The mission of NHTSA's Office of Defects
10 Investigation - known as ODI - is to save lives and to
11 prevent injuries by eliminating vehicle and equipment
12 defects that pose an unreasonable risk to motor
13 vehicle safety as well as to ensure the vehicles are
14 recalled in accordance with the Safety Act. ODI
15 identifies safety-related defects and works to assure
16 that the vehicles and equipment with safety-related
17 defects of noncompliances are recalled in accordance
18 with the Safety Act. In other words, we work to
19 ensure that manufacturers carry out their recalls
20 promptly and effectively.

21 ODI's Recall Management Division oversees all
22 motor vehicle and motor vehicle equipment recalls and

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1 monitors the progress of those recalls. This is no
2 small task. Last year alone over 200 different
3 manufacturers recalled more than 60 million vehicles.

4 Today's public hearing addresses problems
5 associated with 23 different Fiat Chrysler recalls
6 involving millions of vehicles. Those recalls involve
7 serious safety defects and noncompliances. Among the
8 recalls that we will discuss today include recalls for
9 fuel systems that can catch fire in rear crashes,
10 defective ignition switches that can disable a
11 vehicle's air bags, and defective air bags that can
12 unexpectedly go off. These defects have caused deaths
13 and serious injuries.

14 Before we discuss Fiat Chrysler's recall, I
15 first want to explain how a recall should work and
16 what the law requires.

17 There are two essential requirements for a
18 recall. First is notice, and second is a free remedy.
19 Notice means that the manufacturer must tell NHTSA,
20 vehicle owners, and dealers about the recall, the
21 reason for the recall, and how owners can have their
22 vehicles fixed. We make those manufacturers'

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1 notifications public on our website -
2 WWW.SAFECAR.GOV - so that anyone can look up the
3 recalls for their vehicle or any other vehicle.

4 In most cases, a free remedy means that the
5 manufacturer must repair the recalled vehicles. The
6 repair must be done adequately and within a reasonable
7 period of time.

8 Let's start with the notice to NHTSA. If a
9 manufacturer decides in good faith that a vehicle
10 contains a defect related to motor vehicle safety or
11 does not comply with an applicable Federal Motor
12 Vehicle Safety Standard, it must submit a report to my
13 office. This defect and Noncompliance Information
14 Report is required by 49 C.F.R. Part 573, and
15 therefore is commonly known as a Part 573 Report.
16 This report is due within 5 working days of a
17 manufacturer's determination that a vehicle contains a
18 safety-related defect or does not comply with a
19 federal motor vehicle safety standard. A manufacturer
20 must provide specific information about the recall in
21 this Part 573 rule. That information must include
22 information on the affected vehicles, a description of

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1 the defect or noncompliance, a plan for remedying the
2 defect or noncompliance, and the manufacturer's
3 schedule for notifying owners and dealers about the
4 recall. When certain essential information about a
5 recall changes or a manufacturer learns new
6 information, it is required to amend its Part 573
7 Report within five working days.

8 The Part 573 report provides a snapshot of
9 the recall and it triggers the entire recall process.
10 The law requires that, no later than 60 days after
11 filing a Part 573 Report, a manufacturer must notify
12 the vehicle owners about the recall. The notice must
13 explain the defect or noncompliance and tell the owner
14 when and how to have his or her vehicle fixed. If the
15 manufacturer is not ready to repair the vehicles
16 within 60 days, it must send a second notice to owners
17 once the repair is available. The Recall Management
18 Division reviews and approves draft owner notices.

19 A manufacturer must notify its dealers about
20 the recall and how to fix the vehicles. The
21 manufacturer must submit a representative copy of the
22 notice that it sends about the recall to NHTSA's

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1 Recall --

2 (Pause in proceedings.)

3 MS. TIMIAN: The manufacturer must submit a
4 representative copy of the notices that it sends about
5 the recall to NHTSA's Recall Management Division no
6 later than five days after they are sent.

7 Obviously, a recall can only be successful if
8 vehicles are actually fixed. The law requires the
9 manufacturer's repair to be adequate. In other words,
10 it must actually fix the defect or noncompliance.

11 NHTSA evaluates the adequacy of repairs in several
12 ways, including by reviewing a manufacturer's
13 technical service bulletins, or TSBs, for the recall.
14 TSBs are instructions for the dealers who actually
15 carry out the repairs. We also review information
16 from vehicle owners, such as complaints about problems
17 they have with their vehicles after having them
18 repaired in a recall.

19 A manufacturer must repair the recalled
20 vehicles within a reasonable time. The manufacturer
21 must submit quarterly progress reports to NHTSA
22 indicating the number of vehicles that the

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1 manufacturer has repaired and the status of its
2 notices to owners, letting them know that a repair is
3 available. NHTSA reviews the information along with
4 complaints from vehicle owners about any problems
5 having their vehicles timely repaired.

6 The Recall Management Division monitors
7 recalls closely to ensure that they are carried out
8 timely and effectively. As the Director of this
9 office, I personally have a great deal of contact with
10 Fiat Chrysler's staff responsible for carrying out its
11 recalls. My staff is also in frequent contact with
12 Fiat Chrysler.

13 In addition to the Recall Management Division
14 overseeing every recall, ODI also monitors remedies
15 and may open a formal investigation into a recall
16 where there is a concern that the remedy has not
17 resolved the problem. ODI has three open
18 investigations about the recalls we will discuss with
19 you here today.

20 One of these investigations, known as Audit
21 Query 14-003, involves two Fiat Chrysler recalls for a
22 defective left tie rod assembly that can result in

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1 loss of vehicle control. NHTSA received hundreds of
2 complaints from owners reporting frustrations with
3 obtaining service appointments and having their
4 vehicles remedied. Owners complained that they were
5 told it would be many months before their dealer would
6 have parts to repair their vehicle. ODI learned from
7 a dealer and not from Fiat Chrysler that Fiat Chrysler
8 had actually suspended the recall campaigns and asked
9 dealers to return repair parts for quality
10 verification, preventing owners from having this
11 defect repaired.

12 A second investigation, involving recall
13 5V-046 and known as Recall Query 14-001, concerns a
14 recall to address the potential for air bags to
15 inadvertently deploy in certain Jeep vehicles. ODI
16 received reports of vehicles continuing to have
17 inadvertent air bag deployments after having their
18 vehicles repaired to fix this defect. In other words,
19 Fiat Chrysler's fix did not work.

20 A third open investigation, involving Recall
21 14V-391 and known as Recall Query 15-003, is to
22 address ODI's concerns with Fiat Chrysler's remedy for

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1 a recall involving a fire hazard associated with
2 headliner wiring in certain Jeep and Dodge vehicles.
3 ODI has received complaints of fires occurring after
4 vehicle owners have had the recall repairs performed.

5 These investigations reflect just some of our
6 concerns with the timeliness and effectiveness of Fiat
7 Chrysler's recall remedies. My colleague, Scott Yon,
8 who is the Chief of the Vehicle Integrity Division of
9 ODI, is here today to talk to you in more detail about
10 these concerns.

11 We also have serious concerns with Fiat
12 Chrysler's notifications to owners and to NHTSA about
13 its recalls. In every one of the 23 recalls, we have
14 identified ways in which Fiat Chrysler failed to do
15 its job.

16 Fiat Chrysler has repeatedly failed to notify
17 owners about recalls in a timely manner, in some cases
18 taking weeks or months beyond the deadline to do so.

19 Problems with the information that Fiat
20 Chrysler reports - or in many cases, fails to report -
21 to NHTSA are also widespread. Failing to keep NHTSA
22 apprised of its recalls obstructs our ability to carry

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1 out our statutory oversight responsibilities.

2 The recalls that we are highlighting here
3 today include recalls that have serious untimeliness
4 concerns. Fiat Chrysler has also repeatedly failed to
5 keep NHTSA updated on the timing for its recall
6 notifications to owners and dealers and failed to
7 provide NHTSA with copies of these notices, as
8 required by law. Fiat Chrysler also has repeatedly
9 failed to provide NHTSA with other critical
10 information about its recalls, including changes to
11 the vehicles impacted by recalls and its plans for
12 remedying those vehicles. Fiat Chrysler's failure to
13 provide timely, accurate, and complete information to
14 NHTSA on its recalls impedes our ability to do our
15 job, which is to ensure the safety of this nation's
16 roadways.

17 If Fiat Chrysler can't provide basic
18 information on its recalls to the agency, we are
19 concerned that Fiat Chrysler vehicle owners are facing
20 similar issues. Indeed, a review of complaints Fiat
21 Chrysler provided in response to our written questions
22 shows that vehicle owners have had problems getting

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1 accurate information from Fiat Chrysler as basic as to
2 whether their vehicles actually had been repaired in a
3 recall.

4 Josh Neff, a Senior Safety Recall Analyst in
5 NHTSA's Recall Management Division, will testify later
6 today in great detail about specific notification
7 problems across Fiat Chrysler's current recalls.

8 I will now turn it over to my colleagues to
9 address these issues in greater detail.

10 (Pause in proceedings.)

11 MR YON: Good morning. My name is Scott Yon,
12 and I'm Chief of the Integrity Division of NHTSA's
13 Office of Defects Investigation. My responsibilities
14 include managing and supervising defect
15 investigations. I am very familiar with consumer
16 complaints, crash reports and other information
17 relating to the safety consequences of vehicle
18 defects, as well as issues that arise when there are
19 problems with recall campaigns.

20 Earlier, Jennifer Timian discussed the remedy
21 requirements for a manufacturer recalling defective
22 and noncompliant vehicles. I am here to discuss the

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1 concerns that NHTSA has with Fiat Chrysler's
2 performance of its remedy obligations.

3 In my experience, Fiat Chrysler's recall
4 performance often differs from that of its peers.
5 Fiat Chrysler takes a long time to produce the parts
6 needed to get vehicles fixed. Their dealers have
7 difficulty getting parts for recalls. Their customers
8 have trouble getting recall repairs done. Fiat
9 Chrysler's recall remedies sometimes fail to remedy
10 the defects they are supposed to fix.

11 I will first address Fiat Chrysler's failure
12 to quickly produce remedy parts when those parts are
13 needed to repair defects that pose safety risks. I
14 will then discuss a problem with a recall repair that
15 appears not to fix the problem it was meant to solve.

16 The requirement that vehicle manufacturers
17 remedy defects in a timely fashion has long been a
18 requirement of the Safety Act. Manufacturers have a
19 responsibility to make sure that parts are available
20 so that recall repairs can be performed. Except in
21 extraordinary circumstances, no owner of a car or
22 truck with a safety defect should have to wait for

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1 years to get the remedy repair completed. No owner
2 should have to make repeated calls to see if repair
3 parts are available so their car can be made safe.

4 On June 29, 2013, Fiat Chrysler filed a
5 report with NHTSA indicating that it was agreeing to
6 recall certain Jeep Grand Cherokees and Jeep Libertys
7 to improve their performance in rear impacts that can
8 result in fires. In the case of the '93 through '98
9 Jeep Grand Cherokee and 2002 to 2007 Jeep Liberty,
10 Fiat Chrysler agreed to install a trailer hitch or
11 inspect any existing trailer hitch and replace it if
12 necessary. The notice stated that installing the
13 hitches would strengthen the rear structure of the
14 vehicle and provide a benefit in low speed rear
15 impacts.

16 In the case of the Jeep Liberty and Grand
17 Cherokee, the agency's goal was to reduce or eliminate
18 a safety risk that was clearly unreasonable -
19 dangerous fuel leaks and deadly fires in low and
20 moderate speed impacts. To assess the value of the
21 remedy in this recall, NHTSA requested that Fiat
22 Chrysler provide it with test data showing how the

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1 addition of the trailer hitch changed the rear crash
2 performance of the Liberty and Grand Cherokee. Fiat
3 Chrysler provided compliance test data which, in
4 NHTSA's view, did not address this issue. The agency
5 then contacts Fiat Chrysler to perform additional
6 testing. Despite NHTSA's request, Fiat Chrysler
7 refused to perform any test.

8 Given this situation, and because of our
9 concerns about both the risk and the remedy, the
10 agency took the unusual step of evaluating the remedy
11 by conducting crash reconstruction tests of actual
12 incidents that were identified during our defect
13 investigation. The performance of the Grand Cherokee
14 with and without the remedy trailer hitch was examined
15 in five crashes. The change that the hitch made in
16 the Liberty's rear impact performance was examined by
17 crash tests reconstructing a September 2004 rear
18 impact fire crash.

19 NHTSA's testing demonstrated that the remedy
20 hitch provides a safety benefit in low and moderate
21 speed rear impacts - the kinds of impacts where the
22 Liberty and Grand Cherokee without hitches performed

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1 poorly and unreasonably.

2 In mid-January 2014 NHTSA told Fiat Chrysler
3 that the Agency's testing had resolved reservations
4 about the remedy. Shortly thereafter, discussions
5 with Fiat Chrysler about the remedy campaign revealed
6 that Fiat Chrysler did not select a hitch supplier
7 until December 6, 2013 or issue a hitch purchase order
8 until January 29, 2014.

9 Because of concerns that Chrysler's projected
10 production of replacement parts would not be adequate,
11 NHTSA issued a special order to Fiat Chrysler in early
12 July 2014. Among other things, this special order
13 requested that Fiat Chrysler provide information about
14 production capacity, suppliers and recall completion.

15 Fiat Chrysler's response to the special order
16 indicated that it would be increasing hitch
17 production. Based on the new production estimates,
18 Fiat Chrysler stated that it anticipated having enough
19 hitches in stock to meet all the demand for the
20 Liberty by February 2015 and Grand Cherokee by March
21 2015. Chrysler also projected that the completion
22 rate would, by March 2016, be 80 percent for the

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1 Liberty and 50 percent for the Grand Cherokee.

2 After the recall campaign was officially
3 launched in August 2014, NHTSA received complaints
4 expressing frustration with confusing information from
5 dealerships and parts not being available. A Fiat
6 Chrysler report in October of 2014 showed the initial
7 completion rate for the recalls to be very low. These
8 concerns led Deputy Administrator David Friedman to
9 write a letter to Fiat Chrysler CEO, Sergio
10 Marchionne, on November 25, 2014 urging Fiat Chrysler
11 to redouble its efforts and ensure that its dealers
12 provide clear information to consumers.

13 According to information given by Fiat
14 Chrysler in its recent special order response to
15 NHTSA, the completion rate for these recalls is
16 6 percent for the Grand Cherokee and 32 for the
17 Liberty. Particularly in the case of the Grand
18 Cherokee, these rates are not in line with either Fiat
19 Chrysler's own projections or NHTSA's expectations.

20 Another example of the concerns NHTSA has
21 with Fiat Chrysler's recalls involves three recalls
22 for the same defect. In response to a NHTSA

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1 investigation, Fiat Chrysler filed a 573 report
2 identifying a safety defect in 48,000 Dodge Ram
3 trucks. This defect involves a pinion gear retaining
4 nut that can come loose and resulted in a recall.
5 After Fiat Chrysler had filed a 573 notice and started
6 a recall, NHTSA found that the pinion nuts were coming
7 loose in other Ram trucks. Fiat Chrysler then filed a
8 573 report in February 2013 to start another recall.
9 Again, NHTSA found that pinion nuts were failing in
10 other Ram trucks and opened an investigation.
11 Responding to that NHTSA investigation, Fiat Chrysler
12 filed a third 573 in December 2014 to initiate a
13 follow-on recall.

14 The defect involves a nut that secures the
15 pinion gear inside the rear differential. If this nut
16 comes loose, the driveshaft can fall off the truck and
17 differential gears will clash. Fiat Chrysler's 573
18 described the safety risk as 'axle lock up' that can
19 cause loss of control or a crash with 'little
20 warning.' If an axle locks up, one or both of the
21 rear wheels will stop turning and skid until the
22 vehicle is stopped. If both rear wheels of a pickup

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1 truck suddenly lock up at highway speeds, the driver
2 would almost certainly lose control.

3 Fiat Chrysler filed its 573 report for the
4 first recall on February 6, 2013 and sent interim
5 notifications to owners within the 60 days required by
6 our regulations. These interim notices informed
7 customers that they would get another letter telling
8 them to bring their vehicles in when parts were
9 available. Nine months later, in November 2013, Fiat
10 Chrysler reported that it sent notice to owners
11 informing them that they should bring their cars into
12 their dealers to have the recall repair performed.

13 During the nine-month period in which Fiat
14 Chrysler was presumably stockpiling the parts needed
15 to make the recalled vehicles safe, owners continued
16 to experience pinion nut failures. NHTSA received
17 numerous complaints of drive shafts falling off the
18 Ram trucks on the highway. Other complaints described
19 axles locking up while the trucks were being driven,
20 drivers narrowly avoiding crashes and at least one
21 loss of control.

22 Although Chrysler reported that it had

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1 completed sending notices to owners in November 2013
2 telling them parts were available and repairs could be
3 completed, NHTSA continued to receive owner complaints
4 that parts could not be found. A complaint filed in
5 June 2014 stated that a dealer could not give the
6 owner a date when parts would be available and that
7 contact with Chrysler produced the same response. A
8 complaint filed on July 2014 stated that the owner had
9 been trying to get the repair completed for over six
10 months and could not because of the parts shortage.
11 In March and May of 2015, over two years since Fiat
12 Chrysler filed its 573 report, NHTSA received
13 complaints that dealers could not obtain the recall
14 parts.

15 Review of customer complaints and other
16 documents provided to NHTSA by Fiat Chrysler show that
17 Fiat Chrysler was aware of both the hazards posed by
18 the defect and the difficulties that owners were
19 experiencing in getting their vehicles fixed. Fiat
20 Chrysler documents show that the company confirmed
21 that three crashes, including two with injuries,
22 occurred as a result of pinion nut failure in the

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1 eight months after the 573 report was filed. As is
2 the case with complaints filed with NHTSA, Fiat
3 Chrysler records show that its customers were
4 reporting that their dealers could not get parts to
5 complete the repair as late as April of this year.
6 Other Fiat Chrysler records confirm that the parts
7 needed to complete the recall repairs were often back
8 ordered or restricted to allow a dealer to repair one
9 vehicle in a week or two vehicles per month.

10 Unfortunately, the difficulties Fiat Chrysler
11 customers faced in getting recall repairs completed in
12 the pinion nut recall are not an isolated example.
13 Three recalls involving tie rod ends that can fail on
14 large pickup trucks provide another example of how
15 Fiat Chrysler's management of recalls puts its
16 customers and other members of the driving public at
17 increased risks. The three recalls, 13V-527, 13V-528,
18 and 13V-529, encompass approximately one million Dodge
19 Ram pickup trucks. After receiving information from
20 NHTSA indicating that the tie rods were failing,
21 Chrysler filed 573 reports in early November of 2013.
22 Again, by filing 573 reports, Fiat Chrysler expressly

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1 concluded that a defect in these vehicles posed an
2 unreasonable risk to safety.

3 The defect consists of a steering component
4 known as a tie rod that can break without warning. As
5 Fiat Chrysler described in its 573 report, if a tie
6 rod end breaks, the ability to steer the vehicle can
7 be lost and the driver can lose control.

8 In two of these three recalls, Chrysler sent
9 notice to owners in January 2014 telling them to bring
10 their trucks in for repair. NHTSA began to receive a
11 high volume of complaints soon after these notices
12 were sent. Because some of the recall parts had
13 defects, Fiat Chrysler had stopped shipping parts
14 and -- at the end of 2014, and told its dealers to
15 return these remedy parts from their stock.

16 Fiat Chrysler did not notify NHTSA of the
17 problem with the replacement parts or that dealers had
18 been told to return them. Instead, NHTSA learned
19 about this from a dealer. Fiat Chrysler was then
20 contacted and a member of their recall staff was asked
21 if there was a hold on parts for the recall. The Fiat
22 Chrysler representative, unaware of the stop shipment

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1 and return orders for the defective replacement parts,
2 indicated that there was not.

3 Once Fiat Chrysler resolved the safety
4 problems with the replacement parts, supply was often
5 restricted. If they could get parts, dealers were
6 allowed one set of parts per week. Owners seeking to
7 have the safety defect fixed found themselves 30th in
8 line on a waiting list for parts. Review of Fiat
9 Chrysler customer complaint records confirm that
10 owners of these trucks could not get repairs done. In
11 December of 2014, nearly one year after the notices
12 had been mailed to owners, Fiat Chrysler customer
13 service representatives were still informing customers
14 that parts were not available. In May 2015, more than
15 15 months after notices were sent to bring trucks in
16 for repair, NHTSA received complaints from Ram owners
17 stating parts were not available.

18 As the parts shortages for these recalls
19 continued, the tie rod ends continued to fail on
20 vehicles out on the highway. These incidents were
21 reported to Chrysler, illustrating that the company
22 was aware of the consequences of the defect and the

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1 need to have the vehicles fixed. Responding to a
2 NHTSA inquiry, Fiat Chrysler reported in March of this
3 year that it had received 32 reports of alleged
4 property damage, 2,593 consumer complaints, and 32
5 reported crashes involving 20 injuries and one
6 fatality related to these recalls. Although Fiat
7 Chrysler knew or should have known of these accidents,
8 Fiat Chrysler customer service call records show that
9 at least one customer service agent told owners asking
10 about parts that there had not been any accidents from
11 the tie rod failures.

12 Finally, in one of the three tie rod recalls,
13 13V-527, Fiat Chrysler's recordkeeping scheme created
14 a station where the Company does not know which
15 recalled trucks have actually been fixed. In January
16 2014, Fiat Chrysler sent interim recall notices to
17 owners. These notices directed owners to make an
18 appointment with the dealers to have the steering
19 linkage inspected. If the inspection revealed a
20 misalignment condition, the letter stated the tie rod
21 end would be replaced immediately. If no misalignment
22 was found, the owner was instructed that no further

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1 action would be necessary until the owner received a
2 second letter when a replacement tie rod assembly
3 became available.

4 Unfortunately, the system used by Fiat
5 Chrysler did not adequately distinguish between
6 vehicles that had only been inspected and vehicles
7 that had gotten new tie rod ends. Their system
8 recorded vehicles that had only been inspected as
9 vehicles that had received new tie rod ends. The
10 result was that Fiat Chrysler's records showed
11 vehicles had received the full recall repair when, in
12 fact, they had not.

13 To resolve this issue, Fiat Chrysler filed an
14 amended 573 report on March 30, 2015. The report
15 states that Fiat Chrysler is changing the internal
16 designation of the recall and mailing all owners of
17 vehicles involved in the original recall new final
18 owner letters. These letters, which were mailed on
19 May 12, 2015, tell the owners to schedule a service
20 appointment to have the recall completed. Some of
21 these owners will have waited over 18 months to get
22 the defect in their truck fixed.

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1 NHTSA is not just concerned about parts being
2 available for recalls. The agency must also be alert
3 to other issuers that impact the effectiveness of
4 safety recalls. The agency has to consider if the
5 remedy that the manufacturer is going to use will
6 actually fix the problem.

7 NHTSA does not approve remedies or dictate
8 how manufacturers remedy defects. We do, however,
9 closely monitor recall repairs after they are
10 completed to make sure that they are adequate as set
11 forth in the Safety Act. The Agency has encountered
12 numerous instances where Fiat Chrysler has not
13 performed well in making recall repairs. Because my
14 time is limited, I will discuss one recent recall
15 remedy that has prompted NHTSA to open an
16 investigation that is still in progress.

17 NHTSA investigation EA14-001 revealed that
18 headliners in 2011 to 2014 Grand Cherokee and Durangos
19 were catching on fire. These fires were caused by a
20 short circuit occurring near the front sun visors. A
21 wire providing power to vanity lights in these sun
22 visors was located where it could be pierced by the

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1 screws used to attach the visors the headliner.
2 Because the wire is on top of the headliner,
3 interference between the screws and the wire would not
4 be visible. Our investigation showed that most of the
5 fires occurred while the vehicles were being driven,
6 adding driver distraction to the risk posed by the
7 fire itself.

8 Fiat Chrysler filed a 573 report recalling
9 these Jeep Grand Cherokee and Durangos on July 4 --
10 sorry, July 1, 2014. The remedy for this recall
11 consists of a plastic guide that attaches to the top
12 side of the visor mount above the headliner. This
13 guide has a clip intended to hold the vanity light
14 away from the sun visor screws that pierce the
15 headliner. The instructions initially provided by
16 Fiat Chrysler for installing this clip were incomplete
17 and could result in the wire contacting the screws.
18 Examination of the remedy part and review of the
19 original and revised instructions indicates that
20 proper completion of the repair be difficult.

21 Consumers who had this recall remedy
22 installed began to experience problems. In November

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1 of 2014 a Grand Cherokee owner who had the recall
2 repair performed, reported that their entire headliner
3 caught on fire three weeks later. NHTSA now has
4 complaints from consumers showing that in February,
5 March, April, and May of this year, post recall fires
6 occurred in the recalled vehicles at a rate of two
7 every month. NHTSA now has 10 post repair complaints
8 of headliner fires in remedied vehicles. Prior to the
9 recall, NHTSA had received six headliner fire
10 complaints for these Durangos and Grand Cherokees.

11 As I stated earlier, our investigation into
12 this recall remedy is not complete. However, at the
13 present time and rate the post repair fires are
14 occurring, we believe there is a cause for concern.

15 (Exhibit A was marked for identification.)

16 MR. NEFF: Good afternoon. My name is Jeff
17 Neff, and I am a Senior Safety Recall Analyst. I have
18 worked at NHTSA since 2007. Earlier, Jennifer Timian
19 discussed the notification requirements for a recall.
20 I am here to discuss the specific concerns NHTSA has
21 with Fiat Chrysler's recall notifications. I have
22 provided a detailed written statement to the court

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1 reporter, which she has marked as an exhibit. I will
2 summarize my written statement here today.

3 First, I will highlight Fiat Chrysler's late
4 notifications to vehicle owners about defects in its
5 vehicles. Then -- I will highlight the problems with
6 Fiat Chrysler's notifications to the Agency.

7 Accurate and timely notices to owners are
8 critical to ensuring the success of a recall. If
9 vehicle owners do not know about defects in the
10 vehicles, then they are unknowingly putting themselves
11 at risk of harm every time they drive. Since the
12 inception of the Safety Act in 1966, vehicle
13 manufacturers have been required to notify vehicle
14 owners about safety-related defects in their vehicles.

15 In other words, this notification requirement
16 is not new and Fiat Chrysler should be well aware of
17 its responsibility. Manufacturers are explicitly
18 required to notify owners of a recall within 60
19 calendar days, starting on the day that the
20 manufacturer files its Part 573 Report with NHTSA.

21 Even if a manufacturer does not have parts
22 available to repair a vehicle defect or noncompliance

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1 within 60 days, they are not excused for delaying
2 owner notices. In such a case, the manufacturer must
3 send an interim notice to owners, informing them of
4 the defect and the associated risk to motor vehicle
5 safety. Owners are entitled to understand the risk of
6 continuing to drive their vehicle, and to be advised
7 of steps they can take to mitigate the risk before
8 having their vehicles repaired. Where a manufacturer
9 sends an interim notice, it must also send a follow-up
10 owner notice once repair parts are available.

11 Fiat Chrysler failed to notify owners within
12 the required 60 days in seven of the recalls that we
13 are discussing here today. In two additional recalls
14 associated with defective Takata air bags, Fiat
15 Chrysler misled the Agency about its owner
16 notifications and failed to send recall notices to
17 vehicle owners for months.

18 One of the recalls for which Fiat Chrysler
19 did not timely notify vehicle owners is Recall
20 14V-373. This recall involves defective ignition
21 switches. The defect can cause a vehicle to lose
22 power while it is being driven. Among other things,

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1 this means the vehicle's air bags may shut off and not
2 work in a crash.

3 Fiat Chrysler initiated this recall by filing
4 a Part 573 Report with NHTSA on June 25, 2014. Under
5 NHTSA regulations, Fiat Chrysler was required to
6 notify owners about the recall no later than August 24
7 of 2014. On September 29, 2014, Fiat Chrysler
8 reported to NHTSA that it had completed its owner
9 notification mailing on September 11, 2014. That was
10 19 determinations after the deadline.

11 At that time, Fiat Chrysler sent an interim
12 notice to owners of vehicles having defective ignition
13 switches because it did not then have parts available
14 to repair the vehicles. Over eight months after
15 distributing the interim notice, Fiat Chrysler
16 notified owners that they could come in for the
17 repair.

18 Fiat Chrysler recently provided contradictory
19 information to NHTSA about when it mailed interim
20 notices for this recall. Fiat Chrysler admitted in
21 its Special Order response, under oath, that it sent
22 owner notices on a different date than the date it

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1 earlier reported to the Agency. Fiat Chrysler has
2 provided no explanation for this discrepancy.

3 These types of discrepancies in information
4 are widespread throughout Fiat Chrysler's submissions
5 to the agency about its recalls.

6 Fiat Chrysler has repeatedly failed to
7 provide correct information to the Agency on basic
8 issues. In my considered judgment, such errors
9 reflect carelessness or lack of attention to detail on
10 the part of Fiat Chrysler's employees responsible for
11 administering recalls that could have much more
12 consequential results for vehicle and driver safety.

13 Fiat Chrysler admitted on June 1, 2015 that
14 it was late in mailing interim owner notices in
15 Recalls 14V-567, 14V-634,795, and 15V-115. Those
16 recalls include another recall for defective ignition
17 switches, failure of the alternator that can result in
18 sudden vehicle shutdown and fire, broken springs in
19 the clutch ignition interlock switch that could cause
20 unintended movement when the ignition is cranked, and
21 a defective fuel pump relay that can cause a vehicle
22 to stall without warning. In one of these recalls,

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1 14V-795, Fiat Chrysler was aware of a death
2 potentially related to the defect prior to recalling
3 the vehicles.

4 Fiat Chrysler initiated Recall 14V-567, a
5 recall for defective ignition switches, on
6 September 16, 2014. Fiat Chrysler sent its interim
7 notices on November 17, 2014, which was two days past
8 the deadline. Vehicle owners are still awaiting a
9 follow-up letter in this recall, notifying them that
10 they may have their vehicles repaired. It is NHTSA's
11 understanding that Fiat Chrysler does not anticipate
12 sending those follow-up notices to owners until
13 mid-September of this year.

14 Fiat Chrysler also sent what I believe are
15 untimely owner notices in recall 13V-527. Fiat
16 Chrysler initiated this recall, involving a defective
17 left tie rod assembly that can result in a loss of
18 steering control, on November 6, 2013. In a
19 February 4, 2014 letter, Fiat Chrysler indicated that
20 it had not completed its interim notices until
21 January 16, 2014, which was a date different than it
22 had initially told NHTSA and was 11 days past the

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1 deadline. Nearly 16 months later, Fiat Chrysler
2 notified owners to bring their vehicles in for repair.

3 Instead of embracing the importance of
4 expeditiously notifying owners about vehicle defects,
5 Fiat Chrysler claimed, in its recent response to NHTSA
6 that interim notices have caused owner confusion.
7 Dismissing the importance of informing vehicle owners
8 about risks and their safety is counter to the Safety
9 Act.

10 It is also critical that vehicle
11 manufacturers commence recalls swiftly after
12 identifying safety-related defects in their vehicles.
13 A manufacturer is required to file a Part 573 Report
14 with NHTSA within five working days of when it knew or
15 should have known of a safety-related defect in its
16 vehicles. Failing to timely initiate a recall within
17 five working days puts the safety of the vehicle
18 owners at risk.

19 Fiat Chrysler waited months before recalling
20 defective vehicles in at least two of the recalls it
21 began this year. Those recalls are 15V-090, a recall
22 for defective transmissions that may prevent a vehicle

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1 owner from putting the vehicle into park, and 15V-290,
2 a recall for trucks that may have tire failures when
3 traveling at high speeds.

4 Fiat Chrysler initiated 15V-090 on
5 February 10, 2015. In its chronology of events
6 leading up to the recall, Fiat Chrysler states that
7 its supplier notified it in October of 2014 of a
8 production process issue linked to the transmission
9 shift failures that are the subject of the recall.
10 Fiat Chrysler made no attempt to explain the
11 months-long gap before its February 2015 recall.

12 Fiat Chrysler similarly has offered no
13 justification for its months-long delay in recalling
14 vehicles in 15V-290. Fiat Chrysler filed the Part 573
15 Report on May 12, 2015. According to Fiat Chrysler's
16 chronology, in January of 2015 the company became
17 aware that certain trucks have a maximum governed
18 speed of 106 miles an hour, while the tires on the
19 vehicles are only rated for a maximum of 87 miles an
20 hour. Later that month, the company came up with a
21 fix - to install an Engine Control Unit calibration
22 with the maximum vehicle speed set point of 87 miles

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1 per hour. Yet, Fiat Chrysler waited over three months
2 to recall vehicles in May 2015 for the very defect it
3 had identified and developed a fix for back in
4 January.

5 NHTSA's staff should be able to look at the
6 most recent Part 537 Report for any recall to get a
7 snapshot of exactly where the recall stands, including
8 when recall notices were sent or will be sent.

9 Because Fiat Chrysler does not provide this
10 information, NHTSA's staff - myself included, spend an
11 inordinate amount of time trying to track down this
12 information from Fiat Chrysler's staff. We often do
13 not know whether we are relying on accurate
14 information about Fiat Chrysler's recalls.

15 We are aware of at least four recalls where
16 Fiat Chrysler did not keep NHTSA informed about its
17 schedule for notifying owners about recalls, as
18 required, namely, Recalls 13V-527, 14V-373, 14V-749,
19 and 14V-795. Because Fiat Chrysler kept NHTSA out of
20 the loop on its notifications, NHTSA could not
21 adequately ensure that owners and dealers have the
22 information they need about the safety of their

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1 vehicles and when and how the vehicles can be
2 repaired.

3 Fiat Chrysler also repeatedly fails to submit
4 copies of its recall communications to NHTSA. This
5 regulatory requirement is necessary to keep the Agency
6 informed about what the company is telling owners and
7 dealers about defects and noncompliance and how they
8 can have them repaired.

9 Fiat Chrysler has repeatedly failed to submit
10 a representative copy of recall communications that it
11 sends to owners or dealers to the Agency within five
12 days. Fiat Chrysler often delays providing NHTSA with
13 copies, and NHTSA repeatedly has to remind Fiat
14 Chrysler to submit the copies. When Fiat Chrysler
15 does submit copies of recall communications, it
16 routinely submits incorrect information.

17 In some cases, Fiat Chrysler has left NHTSA
18 completely in the dark about communications that Fiat
19 Chrysler makes to its dealers about a recall. We
20 recently learned of many dealer communications that
21 Fiat Chrysler had previously withheld from the Agency.
22 These communications tell dealers how to repair

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1 defects and noncompliances and provide other important
2 information about the recalls. Failure to submit
3 dealer communications to NHTSA as required obstructs
4 the Agency's ability to evaluate whether dealers have
5 accurate and complete information necessary to remedy
6 vehicles.

7 In at least eight of the recalls we are
8 addressing today, Fiat Chrysler failed to submit
9 copies of its owners notices to the Agency within five
10 days as required. For example, in Recall 14V-634,
11 Fiat Chrysler waited 67 days to send NHTSA a copy of
12 its owner notice after it began mailing the notices.

13 That example is not an insignificant delay
14 and this is not an onerous requirement. Many of these
15 recalls involve several hundred thousand vehicle
16 owners. Fiat Chrysler simply has to send out one more
17 copy of its owner notices to NHTSA, and yet it has
18 repeatedly failed to do that within the required time
19 frame. Fiat Chrysler's lack of urgency in recalls and
20 provision of mandatory notice to the Agency - even in
21 the face of legally binding deadlines subject to civil
22 penalties - is unexplained.

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1 Fiat Chrysler's record of timely submitting
2 copies of its dealer communications to the Agency is
3 no better. Specifically, we identified thirty-two
4 dealer communications across twelve recalls within the
5 last three years that Fiat Chrysler withheld from the
6 Agency until submitting its Special Order response on
7 June 1, 2015. Fiat Chrysler sent many of these dealer
8 communications well over a year ago.

9 The law requires manufacturers to submit an
10 amended Part 573 Report when a manufacturer has new or
11 changed information about the recall. This is
12 important because the mere fact of an amended Part 573
13 Report signals to the Agency and to the public that
14 something significant has changed.

15 One of the critical pieces of information
16 about a recall is which vehicles are affected. Across
17 multiple recalls, Fiat Chrysler has had problems
18 correctly, completely, and timely identifying the
19 vehicles affected by the recalls.

20 For instance, in Recall 14V-373, Fiat
21 Chrysler reported a potentially affected population of
22 over 525,000 vehicles in its initial Part 573 Report

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1 submitted July 1, 2014. This number drastically
2 increased by almost 200,000 vehicles in a
3 September 29, 2014 letter. Fiat Chrysler did not
4 amend its Part 573 Report to reflect this change and,
5 instead, in an amended Part 573 Report filed in
6 December, reverted back to the initially reported
7 population of 525,206 vehicles. Fiat Chrysler offered
8 no explanation for this inconsistent information. And
9 this is just one example.

10 Perhaps the most concerning aspect of Fiat
11 Chrysler's inconsistent population numbers is the
12 impact it actually has on vehicle owners. When Fiat
13 Chrysler report a lower population in a cover letter
14 providing a copy of its owner notices to the Agency,
15 it suggests that Fiat Chrysler only sent owner letters
16 to that lower number of vehicle owners. If there was
17 not a true change in the vehicle population, that
18 means Fiat Chrysler failed to notify some vehicle
19 owners of the recalls. Obviously, a vehicle owner who
20 does not know about a recall cannot have his or her
21 car fixed.

22 The Part 573 Report is the authoritative

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1 source of information about a recall. In my separate
2 written statement, I've highlighted eleven recalls
3 where Fiat Chrysler provided different information to
4 the Agency in letters and quarterly reports than it
5 provided in its Part 573 Reports. This is a problem
6 because it buries the important information about a
7 recall into routine correspondence, rather than
8 flagging it for the Agency and the public in an
9 amended Part 573 Report as the law required. In none
10 of these recalls did Fiat Chrysler actually tell the
11 Agency that there was a change to the vehicle
12 population. We only know about that change from
13 examining Fiat Chrysler's inconsistent report.

14 Fiat Chrysler's repeated submission of
15 inconsistent, incorrect, and untimely information on
16 the population of its recalls can have a real impact
17 of effectiveness of those recalls.

18 In another example from earlier this year, in
19 Recall 15V-041, Fiat Chrysler failed to correctly
20 identify the vehicle identification numbers associated
21 with this recall. This recall was for a defect that
22 may result in side curtain and seat air bags

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1 unexpectedly deploying. Oversight by my office, the
2 Recall Management Division, caught about 65,000
3 vehicles impacted by this recall that Fiat Chrysler
4 had not included. This means that Fiat Chrysler did
5 not notify a significant number of vehicle owners of
6 this defect for over 14 weeks.

7 It's also critical for NHTSA to have timely,
8 accurate, and complete information about a
9 manufacturer's remedy plan, in other words when and
10 how it is going to fix vehicles. Having access to
11 information on a manufacturer's remedy plan is
12 essential for the Agency to assess the remedy plan and
13 to ensure that a manufacturer is meeting its
14 obligation to adequately repair vehicle defects within
15 a reasonable time. Fiat Chrysler has failed to
16 provide timely information, as required, on its remedy
17 plan in at least two of the recalls that we are
18 addressing here today. I'll describe one for you.

19 Recall 14V-634 involves a defect where the
20 vehicle's alternator may suddenly fail, causing the
21 vehicle to shut down and potentially causing a fire.
22 Fiat Chrysler initiated this recall on October 7,

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1 2014. In an October 14, 2014 recall acknowledgment
2 letter, the Recall Management Division reminded Fiat
3 Chrysler of its obligation to provide its plan for
4 remedying the safety defect as soon as it had been
5 determined. Over six months later, Fiat Chrysler
6 notified vehicle owners that dealers would replace the
7 alternator assembly. It took Fiat Chrysler until
8 May 7, 2014 to file an amended Part 573 Report
9 including information on its remedy plan. Based on my
10 communications with Fiat Chrysler staff, I believe
11 that they didn't understand their obligation to
12 include this information in their Part 573 Report.
13 This is hard to fathom for a company with as much
14 recall experience as Fiat Chrysler. NHTSA staff
15 should not have to explain and remind Fiat Chrysler
16 about basic recall requirements as we had to do here.

17 I've talked about numerous different problems
18 with Fiat Chrysler recalls today. As I discussed,
19 Fiat Chrysler has failed to timely notify vehicle
20 owners within 60 days as the law required. Fiat
21 Chrysler also waited months before initiating recalls
22 to fix two safety-related defects. In multiple

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1 recalls, Fiat Chrysler failed to notify NHTSA about
2 changes to its schedule for notifying owners and
3 dealers about the recalls. Fiat Chrysler also
4 repeatedly failed to submit copies of recall
5 communications to the Agency and to update the Agency
6 on new or changed information concerning its recalls.
7 In a number of recalls, Fiat Chrysler also failed to
8 provide the Agency with information on its plan for
9 remedying the vehicles as required by law.

10 Thank you.

11 MR. BORRIS: Thank you Josh, Jeff, and
12 Jennifer. We will now turn to our public presenters.
13 As I mentioned earlier, seven of the public registered
14 to make a statement at today's hearing. I will call
15 each of them up to speak based on the order in which
16 they registered. As a reminder, we will be strictly
17 enforcing a five-minute limit for all presentations.

18 When it is your turn, I ask that you please
19 come up to the table here to my left, in front of me.
20 Please make sure that you speak directly into the
21 microphones, and please remember to introduce yourself
22 for the court reporter.

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1 First up is Mr. Byron Bloch.

2 MR. BLOCH: Good afternoon. My name Byron
3 Bloch. I greatly appreciate your conducting this
4 hearing, and I appreciate the opportunity to present
5 at this investigation focusing on the Chrysler fuel
6 tank fiasco, how it happened, and what to do about it.

7 I also have copies for everybody and for the
8 record of my presentation. I will paraphrase much of
9 it. I want to first point out that many of us
10 remember the notorious Ford Pinto, which made big
11 headlines nationally in the '70's and '80's with
12 revelations about its unsafe fuel tank next to the
13 rear bumper, and there were many fiery crashes. Many
14 people were burned to death or survived with burn
15 injuries.

16 I did testify at the reckless homicide trial
17 in Indiana 1980, and I felt that the case was
18 important in sending a message to the auto industry to
19 move the fuel tank away from the rear bumper and
20 design it into a safer location forward of the rear
21 axle. Thankfully, most auto makers responded and the
22 following models in the decades of the '80's and '90's

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1 did place the fuel tank in a safety zone forward of
2 the rear axle.

3 However there were some notable examples of
4 the failure to do that. And as we know, the Jeep
5 Grand Cherokee started in 1993 and had a remarkably
6 similar fuel tank next to the rear bumper. I have
7 these models here. These are accurate scale models
8 that show the lethal design of the Grand Cherokee fuel
9 tank, right near the rear bumper, and it also applies
10 to the Jeep Liberty as well that we've been talking
11 about.

12 Back in 1975, having already inspected many,
13 many vehicles coast to coast and seeing the needless
14 hazard of fuel tanks next to the rear bumper, I
15 personally redesigned a Ford sedan and crash tested it
16 at 63 miles an hour in an offset rear impact by a full
17 size Chevrolet. That successfully demonstrated that
18 at 63 miles an hour, again, the merits of putting the
19 fuel tank forward of the rear axle, does that
20 compliance with federal motor vehicle safety standards
21 mean that the fuel tank is reasonably safe.

22 The short answer is no. In the case of

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1 Williamson v. Mazda, which is a U.S. Supreme Court
2 opinion, it cited, eight to zero, that compliance with
3 any federal vehicle safety standard does not preempt
4 the auto maker from liability in common law, which
5 means that people who are horrifically burned and
6 survived or were burned to death because of the Jeep
7 Grand Cherokee or Jeep Liberty full tank unsafe
8 design, though Chrysler may say, "Oh, well, don't wait
9 for us to keep the federal safety standard." The
10 Supreme Court and the original NHTSA law in the 1967
11 time period both state that compliance with federal
12 safety standards is not an assurance of safety, but it
13 is only the minimum.

14 I sometimes refer to it as bargain basement
15 minimums and we need to upgrade, NHTSA needs to
16 upgrade many of the federal motor vehicle safety
17 standards to make them more realistic to what happens
18 in real-world accidents.

19 In my paper, I have two case examples. One
20 is a '98 Jeep Grand Cherokee. It was rear impacted,
21 and when I examined it, the evidence of both that case
22 and the Jeep Liberty case, I noticed that had the tank

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1 been forward of the rear axle where the muffler was,
2 there would have been no fire. The fuel tank would
3 survive. So just transposing the fuel tank upward
4 makes a difference, and subsequent models of the Jeep
5 Grand Cherokee, Jeep Liberty actually have done that.

6 So this is the bad design that's at issue.
7 This is the safer design that Ford, Chevrolet, GMC,
8 and other vehicles had as competitive to the Jeep
9 vehicles. (Indicating)

10 Finally, just about the goal here is let's
11 together join forces to fight for safer vehicles with
12 the vision of zero fatalities, and I thank NHTSA.
13 Under its new leadership, I am very pleased to see the
14 progress that's been made and the attitude and the
15 activities by NHTSA. I respect the newness of I think
16 what is now on track to resolve many of these issues.
17 Thank you very much.

18 MR. BORRIS: Our next public presenter is
19 Mr. Clay Thompson.

20 MR. THOMPSON: Good afternoon, ladies and
21 gentlemen. My name is Clay Thompson. I'm here today
22 to give my view on the subject at hand, Chrysler's

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1 untimely repairs on their recalls. This is a safety
2 notice I received in 2014 on a recall. It was just
3 typically pertaining to an engine switch that would
4 shut the engine off and disable all safety features.
5 In January of this year I owned a 2006 Jeep Commander
6 that was put on recall. In 2014 I received a notice
7 of recall and was informed they did not have the part
8 available for repair, but they had to be notified when
9 that part was available.

10 Considerable time went by, and I never
11 received notice that the part was made available.
12 Considerable time went by and I never receive notice
13 the part was available. It was only after coming down
14 a mountain in California that my vehicle failed,
15 shutting off the engine, the steering, and the
16 airbags. I went 100 feet down the side of the
17 mountain and rolled over four times. Not one airbag
18 deployed.

19 It was only due to my trailer jackknifing
20 alongside my jeep and hanging up on rocks and brush
21 that kept it from going over 200 feet down the
22 mountain. I am quite sure had that happened, I

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1 wouldn't be here to speak to you today.

2 It was only at the hospital that the police
3 officer doing the investigation report reminded me of
4 the problems they were having with Jeeps. That week I
5 called Chrysler to inform them of the accident only to
6 be told the part was still not available. I said it
7 was too late.

8 On the recall notice it is stated that the
9 defect may cause a serious accident, but by Chrysler's
10 standards my vehicle was safe to drive.

11 My professional qualifications are as
12 follows: 10 years of security and law enforcement. I
13 was commissioned as a police officer by then
14 Governor Rodes. I spent 31 years as a professional
15 truck driver holding a Class A license with 5-1/2
16 million miles accident-free in 48 states and Canada.
17 Also, five years as safety and service director for
18 Shawnee Transport of Southern California, and it is my
19 professional opinion that Chrysler was extremely
20 negligent towards their customers' safety and lives
21 and that of the general motoring public. Had a
22 vehicle with a family and children in it been coming

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1 up the mountain when I went over, it would have killed
2 us all.

3 In closing, I spoke with the gentleman from
4 Chrysler. His statement to me was that Chrysler
5 stands behind their vehicles. My response to him was,
6 "I certainly hope so, because to be inside or in front
7 will get you killed."

8 Good day ladies and gentlemen. I wish to
9 thank you all here for my chance to speak on this
10 subject.

11 (Inaudible response.)

12 MR. BORRIS: Mr. Thompson, thank you for your
13 statement and for being here today.

14 For the record, while I do not see our next
15 registered speaker, we'll call the name of Mr. Paul
16 Sheridan, who was our next registered public
17 presenter.

18 (Pause in proceedings.)

19 MR. BORRIS: It appears Mr. Sheridan is not
20 present here today. Therefore, we will proceed with
21 our next public presenter, Mr. Clarence Ditlow.

22 You have five minutes.

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1 MR. DITLOW: Thank you. Mr. Administrator
2 and NHTSA staff, thank you for holding this hearing on
3 Fiat Chrysler's dismal recall performance. When it
4 comes to recalls, Fiat Chrysler is an outlaw. Fiat
5 Chrysler conceals defects in order to avoid recall.
6 When forced to recall, Fiat Chrysler delays repairs
7 for years and even refuses to do the repairs.

8 Take the ignition switch recall, which was
9 talked about earlier. It is now one year after the
10 573. Chrysler treats the Part 577 owner notification
11 as a get-out-of-jail free card. Send it out. Say
12 that we'll do the repair later, and let you know when
13 the parts are ready, and a year later, you don't see
14 the parts.

15 Fiat Chrysler does poorly when compared to
16 the other manufacturers. Toyota and Fiat did a
17 virtually identical airbag recall. Chrysler did it in
18 November of 2012, and Toyota three months later. By
19 September, eight months after this, Toyota had
20 repaired 235,000 vehicles. Chrysler had done 6,300
21 vehicles. Shifting to the most recent recall
22 completion report, only over 25 percent or 205,000 had

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1 been repaired by Chrysler. That's a dismal recall of
2 parts.

3 The Jeep fuel tank recall represents the
4 worst of Fiat Chrysler. There is -- this is the
5 recall Chrysler never wanted to do. The company never
6 notified NHTSA of a defect despite the confidential
7 settlements in 44 cases against it. When forced to do
8 a recall by NHTSA, in June 2013, the dubious trailer
9 hitch, Fiat Chrysler failed to send an interim part
10 until January 2014 and a final Part 577 in September.
11 Yet today, only 6 percent of the 1.5 million Jeep
12 Grand Cherokees have been repaired and about 30
13 percent of Jeep Libertys.

14 People die when manufacturers fail to remedy
15 recalled vehicles. November 2014, Kayla White burned
16 to death in a rear impact in her 2003 Jeep Liberty.
17 She had tried to get Fiat Chrysler to install the
18 trailer hitch prior to the crash. And I note that
19 there have been at least 20 deaths since NHTSA issued
20 the recall request last June 3, 2013.

21 Now, I think one of the biggest problems is
22 Fiat Chrysler is refusing to remedy Jeeps frame rail

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1 rust. If you look at Ford and Windstar, they did two
2 corrosion data recalls well beyond the 10-year statute
3 of limitation. The agency wants (inaudible) buy-back
4 Fiat vehicles which had corrosion. They were over the
5 eight-year statute of limitations. What Chrysler is
6 saying is "Look, fix it before we install a trailer
7 hitch."

8 I want to point out the case of Deanne
9 Wisniewski of Highland Park, Michigan. She has two
10 1997 Jeep Grand Cherokees. She took them to the
11 dealer. Dealer said, "Oh, it's too rusty to fix it."
12 The other one they did put the trailer hitch on. She
13 now drives that one with a fire extinguisher between
14 her with a seat belt cover and a window smasher in
15 case she gets rear impacted. But the other one should
16 have been bought back. The manufacturer can either
17 replace, repair, or buy back the vehicle as a remedy.
18 They don't get to a point at which a buy-back is a
19 possible option and say, "Oh, we don't like that
20 because it cost too much."

21 What this agency needs to do is enforce the
22 buy-back recalls they're taking years to perform so

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1 the manufacturers know that if you don't repair, you
2 have to buy the vehicles back.

3 Thank you.

4 MR. BORRIS: Thank you, Mr. Ditlow. Thank
5 you for being here today.

6 Although I do not see the next registered
7 speaker, I will call the name of Ms. Jenelle Embrey.

8 (Pause in proceedings.)

9 MS. EMBREY: Hi, I'm Jenelle Embrey, and I am
10 here today because I'm personally affected by these
11 recalls. My involvement with this problem started in
12 June of 2011 in my very own Shenandoah Valley
13 community. We lost the Roe family. They suffered
14 gruesome, excruciating deaths as they burned in their
15 1994 Jeep Cherokee sitting at an intersection. The
16 Roe family deaths still clung to my thoughts the next
17 year when I was involved in a crash on 181. After a
18 distracted truck driver at high speed plowed through
19 vehicles stopped for road construction, it was some
20 divine miracle we were all alive.

21 I remember seeing the fire in the back of the
22 1998 Jeep Grand Cherokee. Inside was a young mother

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1 and two teenagers. My passenger, which was my dad,
2 broke a window out of that Jeep Grand Cherokee with
3 his bare hands to save those people. He pulled out
4 one teenager just before the fire consumed the entire
5 vehicle and we watched helplessly as that young mother
6 and another teenager burned to death. My mother owns
7 one of these dangerous Jeeps.

8 Months later I scheduled a meeting at NHTSA
9 with Dave Strickland and other top government
10 officials. It was to occur July 1, 2013. I organized
11 top safety experts closely related to this issue to
12 present their concerns, backed by strong evidence that
13 the tank placed in the crush zone of '93 to '01
14 Cherokees, '93 to '04 Grand Cherokees, and '02 to '07
15 Liberties was burning people to death.

16 I planned to take a petition I created
17 on-line that garnered 128,000 signatures respectfully
18 asking that NHTSA step in and stop people from burning
19 to death. Over the years, the Center for Auto Safety
20 has made several pleas to NHTSA and to Chrysler, again
21 backed by solid evidence, to act and to save lives.
22 Word of the on-line petitions spread, and I believe

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1 the pressure was felt by NHTSA. They scheduled a
2 secret meeting with Chrysler.

3 The problem with the secret meeting is this:
4 NHTSA did not give any of the experts in my meeting,
5 including the previous NHTSA administrator, Joan
6 Clayton, any consideration at all for making their
7 underhanded deal with Chrysler. Joan Claybrook
8 handled the recall of the firebomb Pintos in the
9 '70's.

10 As a result of the NHTSA secret meeting with
11 Chrysler just days before our scheduled meeting on the
12 1st of July, the vehicles -- some vehicles were left
13 out of this recall with the same exact design flaw of
14 the tank being in the crunch zone. How does this make
15 any sense? The problem with the secret deal is this:
16 On November 10 of 2013 Skyler Coughlin-Anderson, a
17 17-year-old boy, burned to death in his Jeep Grand
18 Cherokee. His dad later said that he had never even
19 heard of the design flaw and did not know the
20 resulting dozens of gruesome deaths.

21 On March 11, 2014, two Falling Water,
22 West Virginia residents, Joseph and Esther DiGiovanni,

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1 burned in their 2004 Jeep Liberty.

2 On April 5, 2014 Magdaleno and Raymundo
3 Sanchez barely survived the fire in their 1994 Jeep
4 Grand Cherokee. They were lucky, if you want to call
5 it that, that they only suffered disfiguring burns.

6 On November 11 of 2014 Kayla White and her
7 unborn son, Braedin, burned to death in their 2003
8 dangerous Jeep Liberty. I believe the horror of this
9 corporate and government corruption in the form of
10 this secret deal goes far and wide. U.S. citizens
11 have solid proof, in looking at the obvious evidence,
12 that not only corporate greed includes homicide, but
13 that our own representatives have failed to protect us
14 in troubled times.

15 I believe a solution is to buy back dangerous
16 vehicles and make a movement to arrest those in the
17 homicides as a result of these failed recalls.

18 In conclusion, FCA has not met its obligation
19 to remedy recalled vehicles notifying NHTSA owners and
20 purchasers of rear fuel tank structures risk.
21 Officials have allowed this to happen.

22 I'm sorry. May I submit as an exhibit a

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1 petition that people have asked me to submit this as
2 evidence. Their signatures are on that petition.

3 MR. BORRIS: Yes, you may. Thank you for
4 your statement, and thank you for being here today.

5 (Pause in proceedings.)

6 MR. BORRIS: Our next public presenter is
7 Mr. Robert Strausburger.

8 MR. STRAUSBURGER: Good afternoon. I am
9 Robert Strausburger, vice president of the vehicle
10 safety and the alliance of automobile manufacturers.
11 Thank you for allowing me to testify today about auto
12 makers commitment to open an effective safety recalls.
13 First and foremost, alliance members take seriously
14 the obligation to quickly identify safety problems, to
15 develop that and validate remedies for those problems,
16 and to start recall campaigns as fast as possible.

17 Our primary concern is to take care of our
18 customers, to help ensure that they not only know
19 about safety problems, but also to receive free
20 repairs as soon as possible. I am here to express our
21 support to create and operate the best recall campaign
22 as possible. NHTSA's supplemental motives of this

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1 hearing raises two potential policy concerns.
2 Specifically, that it is a violation of the Safety Act
3 that recalled vehicles have been repaired -- have not
4 been repaired in a reasonable time because, one, low
5 owner participation rates, or, two, the extended
6 period needed for repair parts. Let me address each
7 of these individually.

8 Low owner participation rates. NHTSA and
9 alliance members share the same goal in repairing all
10 recalled vehicles. However, some recalls have low
11 participation rates despite the industry's efforts to
12 encourage owners to respond. According to the GAO,
13 the average recall participation rate is 70 percent.
14 Participation rates less than 100 percent (inaudible)
15 with reality of consumer dependent recall programs.
16 Critical factor impacting participation rates is
17 vehicle age.

18 An alliance analysis found that participation
19 rates vary markedly from a higher than average
20 38 percent for newer vehicles to as low as 15 percent
21 for vehicles older than 10 years. (Inaudible) the
22 agency or the industry have a good understanding of

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1 why so many vehicle owners don't respond to, in many
2 instances, multiple notices and other evidence to
3 inform when their vehicles (inaudible).

4 That is why the alliance has commissioned
5 research to study consumer attitudes about safety
6 recalls and reasons why the owner's free repair is
7 accepted or not. Since owner participation and safety
8 recalls is voluntary, (inaudible) forced action taken
9 by the agency against industry solely on this basis is
10 not appropriate.

11 Rather, it is necessary to look at the facts
12 of each recall and show that the rates are low due to
13 intentional actions of the manufacturer to express
14 them. Extended repair parts, auto makers clearly
15 understand the urgency of getting effective remedies
16 to consumers. However, both congress and NHTSA have
17 long recognized that recall remedies sometimes take
18 time to develop, validate, and manufacture repair
19 kits. For example, when the repairs (inaudible)
20 complex, complex vehicle systems are involved because
21 involving older models where tooling no longer exists
22 or where new limited production materials must be

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1 used, enforcement action taken solely on the basis of
2 extended periods is needed for the preparation to
3 repair parts is not appropriate.

4 It would be appropriate for the agency to
5 first look at the facts of each recall and undertake
6 an analysis under NHTSA's accelerated (inaudible).
7 Enforced with an action that would not be warranted
8 unless the auto maker purposely delayed parts
9 preparation with an intent to suppress (inaudible)
10 participation rates or was grossly (inaudible) notice
11 in taking steps into provide repair parts.

12 The different policy would likely deter an
13 action of appropriate mitigation strategies, including
14 interim solutions while the root cause is still being
15 investigated or a repair is being developed.

16 In closing, repairing the owners (inaudible)
17 number by recall and preventing the conditions that
18 lead to recall in the first place are top priorities
19 (inaudible). Our members spend significant efforts to
20 provide effective remedies in a timely manner based on
21 its sound engineering practices. Alliance members are
22 committed to working with the agency to structure a

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1 recall program that delivers well engineered remedies
2 as quickly as possible, such as the collective actions
3 of industry and the agency that best serves the
4 consumer.

5 Thank you.

6 MR. BORRIS: Thank you, Mr. Strausburger, for
7 your statement and being here today.

8 Our next and final public presenter is
9 Mr. Todd Anderson.

10 Mr. Anderson, you have five minutes.

11 MR. ANDERSON: Thank you. My name is Todd
12 Anderson, proud father of Skyler Justice
13 Anderson-Coughlin. I stand before you today to say
14 that Fiat Chrysler has not reasonably met the
15 notification and/or remedy requirements. Proof is
16 that my wonderful, beautiful son was horrifically
17 burned to death due to a defective 1998 Jeep Grand
18 Cherokee on November 10, 2013. He was hit from behind
19 but survived the crash. What he did not survive is
20 the exploding gas tank causing the entire interior of
21 the Jeep to fill with fire.

22 As his clothes and skin were burning, he

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1 crawled through jagged glass out of a front window to
2 die on the pavement from thermal injury, being burned
3 alive. It was the absolute worst thing that could
4 ever happen to him or anyone because not only was it a
5 horrific and painful death, but it was preventable.
6 When I first heard of the cause of death and that
7 there was a recall but that I had not been notified, I
8 could not believe it. Over one year after the recall
9 of June 2013, and nearly one year after my son's death
10 I was notified via mail, a postcard, then received
11 three other notices in rapid succession. I couldn't
12 believe it.

13 When I heard of others dying needlessly
14 during the same period in the same way, I could not
15 believe it. Skyler Justice Anderson-Coughlin never
16 did anything wrong in his entire life. He was a
17 beautiful person who tried so hard to live a good,
18 healthy, long life and do the right things.

19 Skyler was born on October 3, 1996 in
20 North Hampton, Massachusetts. He attended the
21 MacDuffie School, a top private college prep located
22 in Granby. Skyler attended Duffie grades 6 through

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1 11, until his life was cut short in the 11th grade.
2 He always excelled in school academically, as well as
3 socially. Skyler was a rising star in Springfield,
4 Massachusetts. First and foremost, Skyler loved his
5 family, his friends, his school, and always wanted to
6 achieve great things.

7 He played piano, drums, saxophone and had
8 plans to play electric guitar. Skyler was so full of
9 life and so many interests throughout his life and so
10 many plans for adulthood, including being a great
11 husband and father. Skyler loved technology and
12 computers, which were his passions, and he wanted to
13 study and develop into a lifelong career.

14 Sky had his own technology website, and he
15 was an inventor with several invention proposals
16 posted on Quirky. He was on a path to change the
17 world. Skyler's personality was regarded by all who
18 met him as something special, and he stood out from a
19 very young age. He had a way of making people feel
20 valued and special. He was to graduate in the class
21 of 2015. His goal was to attend Stanford University
22 and work for Apple Computers.

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1 The weekend that Sky burned to death he had
2 studied most of the weekend and then created a
3 business plan for a client of his and then drove a
4 1998 Jeep Grand Cherokee with zero chance of survival
5 or preventing his death because I had never received a
6 notice. Had I received a notice, I never would have
7 allowed Skyler to drive that vehicle. Had I had
8 knowledge of the vehicle's poor design and risk,
9 Skyler would be alive today.

10 I urge you to take any necessary action
11 required to take these vehicles off the road so that
12 no one ever has to die in such a horrific manner. I
13 urge you to consider that when one person dies,
14 hundreds of lives are ruined and thousands of lives
15 are affected. In this case, the entire world is
16 probably affected because it was Skyler's goal to
17 change the world for the better. I urge you to take
18 action so that the best and brightest do not die
19 senselessly.

20 You have the authority to ensure that no life
21 is cut short. I requested to speak today because I
22 could not live with myself if I didn't do everything

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1 possible to prevent death for others. I hope you take
2 seriously that you can effect this. And "seriously"
3 means doing a lot now, not a little bit over years.
4 This is not a cosmetic defect. It is a safety defect
5 of the highest order. Please do more to communicate
6 the danger, and please offer a buy-back program to get
7 these cars off the road and destroy the vehicles
8 before these vehicles destroy lives.

9 Notification is not enough. I see many of
10 these Jeeps with temporary license plates presumably
11 having been sold recently, as one owner wants to get
12 rid of them. That means the new owner may not yet be
13 informed as there is no requirement of instant
14 notification upon registration. There is only one
15 solution, a buy-back program, then destroy these
16 vehicles. Destroying these vehicles now is better
17 than destroying lives later.

18 Please, I urge you to take immediate and
19 comprehensive action. Thank you.

20 MR. BORRIS: Thank you for your statement,
21 Mr. Anderson, and thank you for being here today.

22 This concludes the statements by members of

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1 the public who registered to speak today.

2 Next we will hear from Mr. Scott Kunselman,
3 who will make a statement on behalf of Fiat Chrysler.
4 Mr. Kunselman is Fiat Chrysler's senior vice president
5 of vehicle safety and regulatory compliance.

6 MR. KUNSELMAN: Thank you. My name is Scott
7 Kunselman. I am senior vice president of vehicle
8 safety and regulatory compliance at FCA US LLC. I
9 lead an organization with a mission of safeguarding
10 our customers, a mission that we embrace with passion.
11 I am pleased to be here today. I appreciate
12 (inaudible) leadership in focusing on the need to
13 develop improvements to the recall process. The
14 agency has raised some legitimate questions about the
15 way SCU (inaudible) safety recalls. We acknowledge
16 and understand those concerns.

17 We have made and continue to make changes to
18 improve the company's performance. We are committed
19 to an ongoing dialogue with the agency to commission
20 and further refine these numerous actions. First, I
21 acknowledge that FCA US could have been better in
22 carrying out the (inaudible) you have filed. Starting

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1 with my appointment last fall, I have dedicated myself
2 and team to strengthening our culture to ensuring
3 refunds on customer safety as a top priority and to
4 establishing an environment of transparency with our
5 customers and the agency.

6 We have taken a very critical look at our
7 historical recall performance and identified
8 additional opportunities to improve. We have also
9 re-examined our interactions with the agency and have
10 been exploring ways to work more closely together.
11 Our most recent evidence to foster a more
12 collaborative dialogue occurred last month when I and
13 several other members of the senior management team of
14 FC AUS met with the administrator and his top staff to
15 review some of the actions we had recently
16 (inaudible).

17 I do not plan to go through the entire
18 presentation at this time. Instead, I refer you to a
19 copy of that presentation available on the Agency's
20 website filed in the docket for this hearing.

21 Our clear goal is to develop and implement
22 best practices and become an industry leader in safety

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1 and customer service. You may be familiar with some
2 of our actions today (inaudible) when I cite a few
3 examples because they help lay the foundation for
4 positive change.

5 In September 2014 FCA US fundamentally
6 reorganized its safety and regulatory compliance
7 functions. This move followed a benchmarking exercise
8 and detailed review of the government's processes,
9 data sources, and analytical tools auto makers used to
10 investigate vehicle issues. My position was created
11 at that time, I report directly to Sergio Marchionne,
12 chief executive officer. Prior to my appointment, the
13 safety and regulatory compliance functions were under
14 the auspices of our (inaudible) organization and led
15 by three levels removed from the CEO.

16 The establishment of safety and regulatory
17 compliance as a stand-alone function not only ensures
18 independent decision making on recall determinations,
19 it also enables more effective resource allocation and
20 provides ready access to other critical functions such
21 as purchasing and (inaudible). Our company's parts
22 and service organization.

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1 Such coordination ensures that safety remains
2 a paramount consideration in everything we do and that
3 each recall is executed with great precision.
4 Frankly, recall execution is where we have fallen
5 short. Our renewed efforts are aimed at making
6 certain we exceed the requirements of our customers,
7 and therefore, surpass the expectations of the Agency.
8 (Inaudible) we outlined a number of actions focused
9 around four key categories. Improving campaign
10 completion rates, increasing overall remedy
11 effectiveness, the timing and availability of parts,
12 and communicating, transparency with other dealers
13 (inaudible) within the agency. A few examples of
14 actions we have taken within these broader category
15 are as follows:

16 We have broadened the expertise of our new
17 safety and regulatory compliance organization by
18 adding personnel such as campaign managers and
19 campaign coordinators, as well as additional product
20 investigators. In addition to our supporting
21 functions, (inaudible) parts and purchasing and supply
22 chain have dedicated specific resources to recall

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1 execution.

2 We created a new position of director of
3 safety compliance and product analysis, which reports
4 directly to me with the responsibility of making
5 certain each campaign is monitored through to
6 completion. The director has the authority to provide
7 resources for (inaudible) to promptly identify any
8 potential issues and ensure that such issues are
9 properly communicated internally and externally,
10 including NHTSA.

11 We have (inaudible) reform our internal
12 process to procure parts for (inaudible) safety
13 recalls. Primarily, we are working closely with our
14 suppliers to shorten the amount of time it takes to
15 design, validate, tool, and produce the required
16 parts. We are improving our recall tracking system to
17 more closely monitor key milestones and enable
18 immediate escalation to management's attention. We
19 continue to focus on (inaudible). This (inaudible)
20 the implementation of new (inaudible). Agents now
21 check for open recalls on every inquiry they receive.
22 When an open recall is identified, the agents offer a

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1 scheduled service, expedite parts delivery, and
2 provide alternative transportation as required.

3 To combat recall fatigue (inaudible) we have
4 launched customer appreciation programs for those
5 owners who then (inaudible) multiple recalls. We have
6 initiated an owner vehicle program to incentivize our
7 dealers to maintain an on-site (inaudible) of vehicles
8 to (inaudible) customers affected by recalls. We are
9 just now ready to pilot a new dealer recall network
10 forum to collect and share best practices on recall
11 administration at a dealership level.

12 We have implemented enhancements to our
13 dealer website, expanded service bargaining reminders
14 and increased our use of social media to engage our
15 customers about safety recalls.

16 We have also developed an app which launches
17 this month and will alert customers about new or open
18 recalls that affect their vehicles. We have just
19 developed a dealer trading program called Recall Ready
20 to emphasize the importance of recall (inaudible). We
21 have revised the process by which we validate service
22 instructions by using representative dealer

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1 technicians, and we are now actively tracking customer
2 feedback after a recall is launched to ensure that
3 we're responding rapidly to any issues related to
4 campaign execution or remedy effectiveness.

5 Going forward, we are fully committed to
6 implementing additional (inaudible) to our safety
7 recall process. We recognize that promoting and
8 ensuring vehicle safety is a responsibility shared by
9 auto makers, suppliers, government, and consumers, and
10 as an auto maker, we must continuously refine our
11 ability to identify and remedy performance issues.

12 In conclusion, let me restate our commitment
13 to better performance. We have learned from our
14 mistakes and missteps, and we will continue to revise
15 our process to meet or exceed the best practices of
16 our industry. Again, thank you for the opportunity to
17 be here today.

18 MR. BORRIS: Thank you, Mr. Kunselman, and
19 all your staff for being here today.

20 Now we will hear closing remarks from
21 Jennifer Timian.

22 MS. TIMIAN: On behalf of the professional

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1 staff of NHTSA, I want to thank everyone who came here
2 today. Thank you to all of the public speakers for
3 sharing their concerns. This is an important
4 opportunity for us to come together today to shed some
5 light onto the problems that NHTSA and vehicle owners
6 have been experiencing for years with Fiat Chrysler
7 recalls.

8 As Scott Yon testified today, we have serious
9 concerns about whether Fiat Chrysler is meeting its
10 requirement under the Safety Act to adequately remedy
11 vehicles within a reasonable time. Scott discussed
12 concerns with the speed at which Fiat Chrysler makes
13 parts available so that its dealers can repair
14 vehicles and how effective its repairs are in actually
15 fixing those defects. We have heard from many owners
16 who complained of difficulties in getting their
17 vehicles repaired and, in some cases, from owners who
18 experienced a serious problem after their vehicle was
19 supposedly fixed.

20 Josh Neff also testified today about concerns
21 with Fiat Chrysler's recall notification to vehicle
22 owners and to the Agency. As Josh explained, Fiat

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1 Chrysler did not send owner notices by the legal
2 deadline in several recalls. He also testified about
3 months-long delays in beginning the recall process in
4 two of Fiat Chrysler's 2015 recalls. Josh also
5 provided many examples of Fiat Chrysler's failure to
6 notify NHTSA about changes to its schedule for
7 notifying owners and dealers about recalls, its
8 failure to submit copies of recall communications to
9 the Agency, its failure to update the Agency on
10 critical changes to its recalls, and its failure to
11 provide the Agency with information on its remedy
12 plans.

13 As I think you can tell from what Scott,
14 Josh, and I have said today, these are issues that are
15 deeply important to us. We are here speaking on
16 behalf of the professional staff of the Office of
17 Defects Investigation, and I can tell you that our
18 concerns are widely shared. Those of you that follow
19 NHTSA know that today is not a common occurrence. I
20 say that because it is a reflection of the seriousness
21 and breadth of the problems that we are addressing
22 here today.

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1 While we encourage Fiat Chrysler and all
2 automates to make proactive improvements in all areas
3 of safety, there are times when intervention is
4 warranted. This is why we are here today. We
5 continue to learn about owners who have been unable to
6 have their vehicles fixed effectively and in a timely
7 manner. Even in some of its most recent recalls, Fiat
8 Chrysler continues to fall short of meeting its
9 reporting requirements.

10 We have a duty to take action to enforce the
11 requirements of the Safety Act. As Frank said at the
12 outset, the purpose of this hearing is to collect
13 information, views, and arguments on whether Fiat
14 Chrysler has reasonably met its legal obligations to
15 remedy recalled vehicles and to notify NHTSA and
16 vehicle owners about its recalls.

17 Again, thank you to everyone for coming here
18 today to help us gather the information NHTSA needs to
19 make that determination.

20 MR. BORRIS: Thank you, Jennifer.

21 Again, I want to thank everyone for coming
22 today. That concludes the presentations at this

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1 public hearing.

2 Now, NHTSA will consider all of the
3 information presented today, in addition to the
4 information in the public docket and other available
5 information, to decide whether Fiat Chrysler has
6 reasonably met its obligations under the Safety Act.

7 Again, as I mentioned at the beginning of the
8 hearing, among the information NHTSA will consider is
9 any additional written comments submitted by members
10 of the public to the public docket by July 17. We are
11 also giving Fiat Chrysler an opportunity to submit a
12 written statement no later than 10 days -- 10 business
13 days from today's date or no later than 5:00 p.m. on
14 July 17.

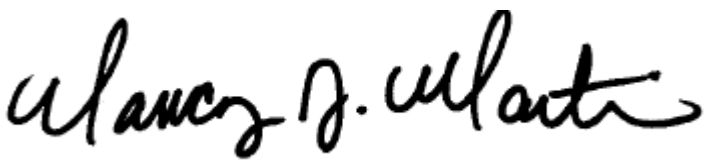
15 If NHTSA decides that Fiat Chrysler did not
16 reasonably meet its obligations under the Safety Act,
17 it may issue an order to Fiat Chrysler requiring it to
18 take specified action to meet those requirements and
19 may also demand and obtain civil penalties from Fiat
20 Chrysler. If NHTSA issues an order to Fiat Chrysler,
21 it will place a copy of the order into the public
22 docket.

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CERTIFICATE OF REPORTER

I, NANCY J. MARTIN, the officer before whom
the foregoing hearing was taken, do hereby
certify that the testimony of all speakers was taken
by me in stenotype and thereafter reduced to
typewriting under my direction; that said transcript
is a true record of the testimony given by said
speakers; that I am neither counsel for, related to,
nor employed by any of the parties to the hearing in
which this proceeding was taken; and, further, that I
am not a relative or employee of any counsel or
attorney employed by the parties hereto, nor
financially or otherwise interested in the outcome of
this action.



Nancy J. Martin,
Notary Public in and for the
District of Columbia

My commission expires:
August 31, 2019

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**PUBLIC HEARING TO DETERMINE WHETHER FIAT CHRYSLER HAS
REASONABLY MET ITS OBLIGATIONS TO REMEDY RECALLED VEHICLES AND
TO NOTIFY NHTSA, OWNERS, AND PURCHASERS OF RECALLS**

**WRITTEN STATEMENT OF JOSHUA NEFF
JULY 2, 2015**

My name is Joshua Neff and I am a Senior Safety Recall Analyst in NHTSA's Recall Management Division. I have worked at NHTSA since 2007.

At NHTSA's public hearing, Jennifer Timian addressed the notification requirements for a manufacturer recalling defective and noncompliant vehicles. In this statement, I will address in more detail the specific concerns NHTSA has regarding Fiat Chrysler's recall notifications.

First, I will address Fiat Chrysler's late notifications to vehicle owners about defects in its vehicles. Then, I will address the problems with Fiat Chrysler's notifications to the Agency. Among other things, Fiat Chrysler has delayed initiating a recall, it has failed to submit critical information to the Agency about its ongoing recalls, and its submissions to the Agency have repeatedly been untimely, inaccurate, and incomplete.

Untimely Owner Notices

Accurate and timely notices to owners are critical to ensuring the success of a recall. If vehicle owners do not know about defects in their vehicles they are unknowingly putting themselves at risk of harm every time they drive. Since the inception of the Safety Act in 1966, vehicle manufacturers have been required to notify vehicle owners about safety-related defects in their vehicles. The basic right to know about unreasonable risks to safety existed even before Congress required manufacturers to actually fix those defects.

In other words, this notification requirement is not new and Fiat Chrysler should be well aware of its responsibility.

The Safety Act requires manufacturers to notify vehicle owners of defects within a reasonable time. NHTSA has long had a policy that it is unreasonable for a manufacturer to wait more than 60 days to notify owners of defects in their vehicles. That policy was reflected in NHTSA's Safety Recall Compendium, which is a document available on NHTSA's website that explains the requirements for a recall in plain language.

Effective October 21, 2013, NHTSA amended its regulations to explicitly require manufacturers to notify owners of a recall within 60 days. The 60 days is calculated in calendar days, starting on the day that the manufacturer files its Part 573 Report with NHTSA. That Part 573 Report kicks off the entire recall process.

Even if a manufacturer does not have parts available to repair a vehicle defect or noncompliance within 60 days, that is not an excuse for delaying owner notices. In such a case, the manufacturer must send what is known as an "interim notice" to owners, informing them of

the defect and the associated risk to motor vehicle safety. The reason for this is that owners are entitled to understand the risk of continuing to drive their vehicles, and to be advised of steps they can take to mitigate the risk before having their vehicles repaired. In other words, vehicle owners are entitled to make informed decisions about their safety. Where a manufacturer sends an interim notice, it must also send a follow-up owner notice once repair parts are available. That follow-up notice tells vehicle owners when they can schedule a repair with their local dealership.

To reiterate: regardless of whether a manufacturer is prepared to immediately fix vehicles, 60 days is the absolute deadline to inform a vehicle owner about a recall. NHTSA takes steps to inform the public well before that deadline by posting information about recalls on its website, www.safercar.gov. The news media also often publicizes new recalls posted to NHTSA's website. However, those methods of communication are only effective if a vehicle owner happens to see them. The vehicle manufacturer is required to reach out directly to vehicle owners affected by the recall, by mailing a notice about the recall to each registered owner or most recent purchaser of a vehicle impacted by the recall. These recall notices are carefully designed to grab an owner's attention. Among other things, owner notices are required to say "IMPORTANT SAFETY RECALL" and they must be mailed in an envelope that says "SAFETY RECALL NOTICE."

When a vehicle manufacturer does not send owner notices in a timely manner, safety is compromised.

Fiat Chrysler failed to notify owners within the required 60 days in seven of the recalls at issue in NHTSA's public hearing. In two additional recalls associated with defective Takata air bags, Fiat Chrysler misled the Agency about its owner notifications and failed to send recall notices to vehicle owners for months.

One of the recalls for which Fiat Chrysler did not timely notify vehicle owners is Recall 14V-373. That recall involves defective ignition switches. The defect can cause a vehicle to lose power while it is being driven. Among other things, this means that the vehicle's air bags may shut off and not work in a crash.

Fiat Chrysler initiated this recall by filing a Part 573 Report with NHTSA on June 25, 2014. Fiat Chrysler's June 2014 Part 573 Report did not provide estimated dates for sending owner notifications. Under NHTSA regulations, however, Fiat Chrysler was required to notify owners about the recall no later than August 24, 2014. On September 29, 2014, Fiat Chrysler reported to NHTSA that it had completed its owner notification mailing on September 11, 2014. That was 19 days after the deadline to complete the mailing.

At that time, Fiat Chrysler sent an interim notice to owners of vehicles having defective ignition switches because it did not then have parts available to repair the vehicles. The interim notices warned owners to remove all objects, such as additional keys and key chains, from their ignition key. Over eight months after distributing the interim notice, Fiat Chrysler notified owners that they could come in for the repair.

Fiat Chrysler recently provided contradictory information to NHTSA about when it mailed interim owner notices for this recall. On June 1, 2015, Fiat Chrysler submitted its response to NHTSA's Special Order concerning its recall execution and administration. A Special Order is a form of compulsory process that NHTSA's Office of Chief Counsel uses to obtain information and documents related to the Agency's work. It is like a subpoena. A manufacturer is required to respond to a Special Order under oath. Fiat Chrysler admitted in its Special Order response that it sent owner notices late for this recall. However, it said those notices were sent 12 days past the 60 day deadline. That would mean Fiat Chrysler mailed the notices on September 5, 2014, rather than September 11, 2014 as it earlier reported to the Agency. Fiat Chrysler has provided no explanation for this discrepancy.

Fiat Chrysler also provided contradictory information on when it sent its follow-up recall notices to owners, informing them that a repair was available. In its Special Order response, Fiat Chrysler provided a spreadsheet that included the dates when owner notifications began and were completed for its recalls. For this recall, 14V-373, Fiat Chrysler said that owner notifications began May 29, 2015. Fiat Chrysler left the "completed" date blank. Oddly, this spreadsheet was dated May 20, 2015—a date that is earlier than some of the information in the spreadsheet including the mailing date provided for this recall.

On June 1, 2015, the very same day that Fiat Chrysler submitted its Special Order response, Fiat Chrysler sent a separate letter to NHTSA that gave different information on the timing of its owner notifications. In the letter, Fiat Chrysler said owner notifications in this recall began on May 26, 2015 and were completed May 29, 2015. Fiat Chrysler also repeated these dates in an amended Part 573 Report it filed in June.

Such discrepancies in information are widespread throughout Fiat Chrysler's submissions to the Agency about its recalls. When Fiat Chrysler provides unreliable information to the Agency, it impacts our ability to do our job—that is, to make sure that recalls are carried out expeditiously and effectively. Recall Management Division staff wastes time trying to make sense of or trying to obtain corrected information from Fiat Chrysler, which delays our other important work like reviewing new recalls.

It is also concerning that Fiat Chrysler has repeatedly failed to provide correct information to the Agency on basic issues, such as the date it mailed owner notices. In my considered judgment, such errors reflect carelessness or lack of attention to detail on the part of Fiat Chrysler's employees responsible for administering recalls that could also have much more consequential results for vehicle and driver safety.

Fiat Chrysler also admitted on June 1, 2015 that it was late in mailing interim owner notices in Recalls 14V-567, 14V-634, 14V-795, and 15V-115. Those recalls include another recall for defective ignition switches; sudden failure of the alternator that can result in sudden vehicle shutdown and fire; broken springs in the clutch ignition interlock switch that could cause unintended movement when the ignition is cranked; and a defective fuel pump relay that can cause a vehicle to stall without warning. In one of these recalls, 14V-795, Fiat Chrysler was aware of a death potentially related to the defect prior to recalling the vehicles.

Fiat Chrysler initiated Recall 14V-567, a recall for defective ignition switches, by filing a Part 573 Report with the Agency, on September 16, 2014. The deadline for Fiat Chrysler to send owner notices in this recall was November 15, 2014. Fiat Chrysler did not provide estimated dates for sending owner notifications prior to mailing its interim notices on November 17, 2014, which was two days past the deadline. Vehicle owners are still awaiting a follow-up letter in this recall, notifying them that they may have their vehicles repaired. It is NHTSA's understanding that Fiat Chrysler does not anticipate sending those follow-up notices to owners until mid-September of this year.

Recall 14V-634 began with Fiat Chrysler's Part 573 Report on October 7, 2014. At the time, Fiat Chrysler indicated that it planned to send owner notices on November 28, 2014. Fiat Chrysler did not notify NHTSA of changes to its plans. Instead, on December 11, 2014, Fiat Chrysler informed NHTSA that it had mailed interim notices on December 8, 2014. That was two days after the 60-day deadline. Several months later, Fiat Chrysler mailed notices to owners between February 27 and April 30, 2015 to inform them that they could have their vehicles repaired.

Fiat Chrysler initiated Recall 14V-795 with a December 16, 2014 Part 573 Report. That gave it until February 14, 2015 to mail owner notices. On March 9, 2015, Fiat Chrysler informed NHTSA that it mailed interim owner notifications prior to the deadline, on February 10, 2015.

But apparently that was not true. In its Special Order response, under oath, Fiat Chrysler reported that it did not mail interim notices within the required timeframe for this recall and instead sent them one day late. Fiat Chrysler has not explained the discrepancy with the information it earlier provided to NHTSA.

Fiat Chrysler initiated Recall 15V-115 on February 24, 2015. At that time, Fiat Chrysler told NHTSA it planned to send owner notifications on April 24, 2015. However, on May 5, 2015, Fiat Chrysler notified NHTSA that it did not complete mailing its interim owner notifications until April 29, 2015. That was four days late. Fiat Chrysler acknowledged this was after the deadline to notify owners in its Special Order response. According to Fiat Chrysler, it now plans to notify owners between July 20 and 29th, 2015 that they may bring their vehicles in for repair.

Fiat Chrysler's Special Order response did not identify Recall 13V-527 as a recall where its owner notices were untimely. However, Fiat Chrysler's prior submissions to the Agency show that it sent its interim owner notices late. Fiat Chrysler initiated this recall, involving a defective left tie rod assembly that can result in loss of steering control, on November 6, 2013. At that time, Fiat Chrysler told the Agency that it planned to begin notifying owners of the recall in December 2013. Although Fiat Chrysler did not notify NHTSA of any change to this schedule, in a February 4, 2014 letter, Fiat Chrysler indicated that it had not completed its interim notices mailing until January 16, 2014. That was 11 days past the deadline to do so. Nearly 16 months later Fiat Chrysler notified owners to bring their vehicles in for repair.

Fiat Chrysler also missed the deadline to notify owners in Recall 14V-635. Fiat Chrysler initiated this recall on October 7, 2014. This recall involves the potential for fire resulting from

overheating of electrical connectors of the diesel fuel heater. Fiat Chrysler's Part 573 Report for this recall listed obviously erroneous dates for its planned owner notification mailing. Fiat Chrysler gave a beginning date for this mailing that was later than the end date for the mailing. It said the mailing would occur from December 5, 2014 through November 5, 2014. Fiat Chrysler later notified NHTSA, in a November 11, 2014 letter, that it completed mailing interim owner notices for this recall on December 8, 2014. That was two days past the deadline for notifying owners. Fiat Chrysler notified vehicle owners over four months later, in late April 2014, that they could bring their vehicles in for repair.

Fiat Chrysler has a pattern of failing to timely notify vehicle owners of recalls within a reasonable time. Fiat Chrysler's delays leave vehicle owners in the dark about defects in their vehicles that Fiat Chrysler itself has determined pose an unreasonable risk to safety.

Instead of embracing the importance of expeditiously notifying owners about vehicle defects, Fiat Chrysler claimed in its recent response to NHTSA that interim notices have caused owner confusion. Dismissing the importance of informing vehicle owners about risks to their safety is counter to the Safety Act.

In addition to Fiat Chrysler's failure to meet the 60-day requirement in the seven recalls I have already discussed, Fiat Chrysler refused to notify vehicle owners for many months about its recalls of Takata air bag inflators. In Recall 14V-354, which became a part of Recall 14V-817, Fiat Chrysler refused to notify owners for over five months of the risk of their air bag inflator rupturing. Fiat Chrysler still has not notified owners about the recall—more than six months after filing a Part 573 Report with the Agency.

These Takata recalls provide more examples of Fiat Chrysler providing conflicting and blatantly wrong information to the Agency. In Recall 14V-354, Fiat Chrysler reported to NHTSA on December 23, 2014 that its planned owner notification date was three months earlier—on September 22, 2014. But in January 2015, Fiat Chrysler acknowledged that it actually had not mailed owner notices for the recall until December 5th through 16th, 2014.

Fiat Chrysler did not send these owner notices until after Deputy Administrator Friedman wrote to Fiat Chrysler's CEO Sergio Marchionne, to let him know that he was extremely concerned about the slow pace of this recall. In his November 25, 2014 letter, Deputy Administrator Friedman wrote that "Chrysler's delay in notifying consumers and taking other actions necessary to address the safety defect identified is unacceptable and exacerbates the risk to motorists' safety." He wrote that Chrysler's delay in notifying owners deprives them of the ability to take informed precautionary measures, noting that an informed customer could reduce the risk of death or injury by choosing to leave the passenger seat unoccupied. Deputy Administrator Friedman wrote that Chrysler's delay in notifying owners deprives them of the knowledge needed to make an informed decision.

At the time, Chrysler was one of ten vehicle manufacturers recalling vehicles for defective Takata air bag inflators. Deputy Administrator Friedman noted in his letter that throughout the process of this recall, as compared with the other affected manufacturers, "Chrysler has consistently maintained its position at the rear of the pack."

After Fiat Chrysler expanded its recall for Takata air bag inflators, Recall 14V-354 became a part of Recall 14V-817. Fiat Chrysler misrepresented to NHTSA that it would to send interim notices to vehicle owners in Recall 14V-817, but it never did. Fiat Chrysler told NHSTA on a conference call that it did not want to send interim notices. But, after Frank Borris made clear this was unacceptable and told Fiat Chrysler that its customers are entitled to know the truth about their vehicles, Fiat Chrysler sent a draft interim notice to the Agency for review. After Recall Management Division staff approved the draft, Fiat Chrysler still did not mail the notice. Over six months after initiating this recall, Fiat Chrysler still has not notified vehicle owners.

Nor does it have any current plans to do so. Recall 14V-817 is now a part of an expanded recall, Recall 15V-313. That expanded recall began with Fiat Chrysler's Part 573 Report on May 26, 2015. To date, Fiat Chrysler has not told NHTSA of any plans to notify the over 4 million owners affected by that recall. .

Recalls obviously cannot be successful if owners do not know about them. Fiat Chrysler's pattern and ongoing failure to notify owners about recalls in a timely manner is concerning.

Untimely Recalls

It is also critical that vehicle manufacturers commence recalls expeditiously after identifying safety-related defects in their vehicles. The Safety Act and NHTSA regulations require a manufacturer to notify NHTSA, by filing a Part 573 Report, within five working days of when it knew or should have known of a safety-related defect in its vehicles. The Part 573 Report is the beginning of the entire recall process. Failing to timely initiate a recall within five working days puts the safety of vehicle owners at risk. This requirement exists so that the public is expeditiously notified of safety risks and that vehicle defects are remedied within a reasonable time.

NHTSA carefully reviews recall submissions to ensure that recalls are timely. For recalls involving a safety defect, a manufacturer is required to submit a chronology of all principal events that were the basis for the manufacturer's determination that the defect related to motor vehicle safety. NHTSA uses these chronologies to help determine whether recalls are timely.

Fiat Chrysler waited months before recalling defective vehicles in at least two of the recalls it began this year. Those recalls are 15V-090, a recall for defective transmissions that may prevent a vehicle owner from putting the vehicle into park, and 15V-290, a recall for trucks that may have tire failures when traveling at high speeds.

Fiat Chrysler initiated Recall 15V-090 on February 10, 2015. In Fiat Chrysler's chronology of events leading up to the recall, Fiat Chrysler states that its supplier notified it in October 2014 of a production process issue linked to the transmission shift failures that are the subject of the recall. The chronology in Fiat Chrysler's Part 573 Report ends on December 7, 2014, when Fiat Chrysler received additional information from its supplier. Fiat Chrysler made no attempt to explain the months-long gap before these events and its February 2015 recall.

In a February 26, 2015 recall acknowledgment letter, Jennifer Timian notified Fiat Chrysler that this recall appeared untimely. She specifically asked Fiat Chrysler to provide an updated chronology that explains why it did not recall the vehicles in October 2014 and additional information on the delay between the events listed in its chronology and its commencement of the recall. Fiat Chrysler did not respond. Although Fiat Chrysler amended its Part 573 Report several months later, on May 5, 2015, it made no changes to its incomplete chronology or otherwise make any attempt to explain the timing.

Fiat Chrysler similarly has offered no justification for its months-long delay in recalling vehicles in Recall 15V-290. Fiat Chrysler began this recall by filing a Part 573 Report on May 12, 2015. According to Fiat Chrysler's chronology, on January 9, 2015, its Vehicle Safety and Regulatory Compliance department became aware that certain trucks have a maximum governed speed of 106 mph, while the tires on the vehicles are only rated for a maximum of 87 mph. Later that month, on January 27, 2015, Fiat Chrysler's Saltillo Truck Assembly Plant came up with a fix—to install an Engine Control Unit calibration with the maximum vehicle speed set point of 87 mph. But Fiat Chrysler waited over three months to recall vehicles in May 2015 for the very defect it had identified and developed a fix for back in January.

Although Jennifer Timian notified Fiat Chrysler in a June 18, 2015 recall acknowledgment letter of concerns with the timeliness of this recall, Fiat Chrysler has yet to update its chronology or otherwise provide any explanation for its delay.

Fiat Chrysler has told NHTSA about changes that it has made to its organization and recall processes since September 2014. However, these two untimely recalls demonstrate that problems persist. Fiat Chrysler's failure to expeditiously recall vehicles with a safety-related defect is deeply concerning.

Failure to Notify NHTSA About Changes to Notification Schedule

Another pattern throughout Fiat Chrysler's recalls is that it fails to update NHTSA on critical information about its recalls. NHTSA has specific requirements for the information that must be provided in a Part 573 Report. There is also a requirement to submit an amended Part 573 Report when key information changes. These requirements are essential to NHTSA's ability to ensure that owners are being told about defects and noncompliances in their vehicles and know how to have them fixed.

NHTSA staff should be able to look at the most recent Part 573 Report for any recall to get a snapshot of exactly where the recall stands, including when recall notices were sent or will be sent. Because Fiat Chrysler does not provide this information, NHTSA staff—myself included—spend an inordinate amount of time trying to track down this information from Fiat Chrysler staff. Since Fiat Chrysler does not update outdated information, we often do not know whether we are relying on inaccurate information about Fiat Chrysler's recalls.

We are aware of at least four recalls where Fiat Chrysler did not keep NHTSA informed about its schedule for notifying owners about recalls, as required. In these recalls, Fiat Chrysler

did not amend its Part 573 Report within five working days of changes to the estimated dates on which it would notify owners and dealers about the recalls. Additionally, Fiat Chrysler failed to promptly provide the reasons for the delay and a revised schedule when its notification schedule is delayed by more than two weeks.

One of the recalls where Fiat Chrysler failed to update NHTSA on changes to its owner notification schedule is Recall 13V-527, a recall for a defective left tie rod assembly that can result in loss of steering control. When Fiat Chrysler first filed a Part 573 Report for this recall in November 2013, it told NHTSA that it would begin sending owner notices in December 2013. NHTSA only found out that this did not happen when Fiat Chrysler sent it a copy of its interim owner notice to NHTSA in February 2014 and said that the notices were not mailed until January 16, 2014. Fiat Chrysler did not explain its delay.

Another recall where Fiat Chrysler did not update NHTSA on changes to its owner notification schedule is an ignition switch recall, Recall 14V-373. This recall was an expansion of an earlier recall, 11V-139. When Fiat Chrysler first notified NHTSA of the new, expanded recall in June 2014, it submitted a Part 573 Report that said it planned to send owner notices in early July 2014. Obviously, that was inaccurate information. On July 1, 2014, Fiat Chrysler submitted an amended Part 573 Report that said it would mail owner notices in August 2014. August came and went with no update from Fiat Chrysler. However, it was not until September 29, 2014, when Fiat Chrysler submitted a copy of an interim owner notice that NHTSA learned Fiat Chrysler did not mail those notices until September 11, 2014.

Fiat Chrysler also failed to update NHTSA on its changed plans for notifying owners and dealers that parts were available for repair. In December 2014, Fiat Chrysler submitted an amended Part 573 Report that said it planned to mail the owner notices on April 13, 2015 and the dealer notices on April 6, 2015. Fiat Chrysler submitted two more amended Part 573 Reports in February 2015 that made no changes to this schedule. Fiat Chrysler did not tell NHTSA that the notices were not sent until well after those April dates had passed. Only after NHTSA staff contacted Fiat Chrysler about its notification schedule did Fiat Chrysler submit an amended Part 573 Report, on May 4, 2014, to provide new dates. Even then, Fiat Chrysler provided no explanation for the delay, as required.

For Recall 14V-749, a recall for a noncompliant instrument cluster, Fiat Chrysler never provided NHTSA with any information on its schedule for mailing owner and dealer notices. Fiat Chrysler left these fields blank when it submitted its Part 573 Report in November 2014. Rather than telling NHTSA when it planned to send notices, as required, Fiat Chrysler submitted a letter on December 16, 2014 stating that it had already mailed the notices.

Fiat Chrysler also failed to update NHTSA on changes to its notification schedule in a recall for broken springs in the clutch ignition interlock switch, Recall 14V-795. Fiat Chrysler's initial Part 573 Report in December 2014 said that it planned to mail dealer notices on February 6, 2015 and owner notices on February 13, 2015. Immediately before these notifications were scheduled to begin, Fiat Chrysler confirmed these dates in a February 3, 2015 amended Part 573 Report. However, it was not until Fiat Chrysler again amended its Part 573 Report in May 2015

that NHTSA learned that Fiat Chrysler missed those mailing dates and instead mailed the notices over a month later in March 2015. Fiat Chrysler provided no explanation for the delays.

Fiat Chrysler's repeated failure to provide accurate and up-to-date information to the Agency makes it hard for staff to trust the information that Fiat Chrysler provides. Because Fiat Chrysler kept NHTSA out-of-the-loop on its notifications, NHTSA could not adequately ensure that owners and dealers had the information they needed about the safety of their vehicles and when and how the vehicles can be repaired.

It is also disconcerting that Fiat Chrysler repeatedly fails to explain its delays in notifying owners and dealers about recalls. Without any explanation for a delay, NHTSA has no basis for judging the delay to be reasonable and not simply the result of a lack of urgency at Fiat Chrysler on safety issues.

Failure to Submit Copies of Recall Communications

Fiat Chrysler also repeatedly fails to submit copies of its recall communications to NHTSA. This regulatory requirement is necessary to keep the Agency informed about what the company is telling owners and dealers about defects and noncompliances and how they can have them repaired.

Owner notices are critical to a recall. To ensure that owners are provided the necessary information, NHTSA reviews draft owner notices before they are sent. A vehicle manufacturer is required to submit a draft to NHTSA no fewer than five business days before it intends to begin mailing the notice to owners. However, in at least one recall, 14V-749, a recall for noncompliance with the safety standard for vehicle controls and displays, Fiat Chrysler did not send a draft owner notice to NHTSA for review. Instead, Fiat Chrysler sent an unapproved letter to owners on December 16, 2014.

Fiat Chrysler has also repeatedly failed to submit a representative copy of recall communications that it sends to owners or dealers to the Agency within five days. Fiat Chrysler often delays providing NHTSA with copies, and NHTSA repeatedly has to remind Fiat Chrysler to submit the copies. In addition, when Fiat Chrysler does submit copies of recall communications, it also routinely enters incorrect information into NHTSA's recalls portal, such as providing the date that Fiat Chrysler submitted a document to NHTSA or leaving the date blank, rather than providing the date that Fiat Chrysler mailed its notification to owners.

NHTSA cannot ensure that vehicle owners are aware of defects and noncompliances in their vehicles and that they have information on how to have those problems fixed when a manufacturer fails to comply with its obligation to submit copies of owner notification letters to the Agency and to provide correct and complete information about the notifications.

In some cases, Fiat Chrysler has left NHTSA completely in the dark about communications that Fiat Chrysler makes to its dealers about a recall. We recently learned of many dealer communications that Fiat Chrysler had previously withheld from the Agency. These communications tell dealers how to repair defects and noncompliances and provide other

important information about the recalls. Failure to submit dealer communications to NHTSA as required obstructs the Agency's ability to evaluate whether dealers have accurate and complete information necessary to remedy vehicles. It is critically important that the Agency have timely access to these communications—and a complete set of these communications—so that it can evaluate the remedy and fulfill its statutory oversight role to ensure that remedies are effective.

In at least eight of the twenty-three recalls that are the subject of this public hearing, Fiat Chrysler failed to submit copies of its owner notices to the Agency within five days as required.

In Recall 13V-527, Fiat Chrysler waited 28 days to send NHTSA a copy of its interim owner notice and 6 days to send NHTSA its follow-up owner notice.

For Recall 14V-373, Fiat Chrysler waited 18 days to send NHTSA a copy of its interim owner notice.

Fiat Chrysler also waited 8 days to send NHTSA a copy of its interim owner notice in Recall 14V-438.

In Recall 14V-634, Fiat Chrysler waited 67 days to send NHTSA a copy of its owner notice after it began mailing the notices.

Fiat Chrysler waited 27 days to send NHTSA a copy of its interim owner notice in Recall 14V-795.

It also waited 25 days after it began mailing interim notices about Recall 15V-046 before sending NHTSA a copy.

Fiat Chrysler waited 12 days to send NHTSA a copy of its owner notice in Recall 15V-114.

Fiat Chrysler also waited 15 days from the time it began mailing owner notices in Recall 15V-115 to provide NHTSA with a copy.

These are not insignificant delays. Fiat Chrysler waited double, triple, and even up to over thirteen times the allowable time under the law to provide these owner notices to NHTSA.

This is not an onerous requirement. Many of these recalls involve several hundred thousand vehicle owners. Fiat Chrysler simply has to send out one more copy of its owner notices to NHTSA, and yet it has repeatedly failed to do that within the required timeframe. Fiat Chrysler's lack of urgency in recalls and provision of mandatory notice to the Agency—even in the face of legally binding deadlines subject to civil penalties—is unexplained.

Fiat Chrysler's record of timely submitting copies of its dealer communications to the Agency is no better. Fiat Chrysler also did not submit copies of dealer communications within five days as required in at least fourteen of the twenty-three recalls. In many cases, Fiat Chrysler simply did not provide any copy of certain dealer communications to the Agency until we began

this enforcement action. Specifically, we identified thirty-two dealer communications across twelve recalls within the last three years that Fiat Chrysler withheld from the Agency until submitting its Special Order response on June 1, 2015. Fiat Chrysler sent many of these dealer communications well over a year ago.

In Recall 13V-252, Fiat Chrysler did not provide the Agency with twelve separate dealer communications prior to responding to NHTSA's Special Order. Those are communications that Fiat Chrysler sent to its dealers in June, July, August, and December 2014.

In Recall 13V-527, Fiat Chrysler first sent NHTSA a copy of a November 2013 dealer communication in response to the Special Order.

It also first sent NHTSA a copy of two April 2014 dealer communications in 13V-528 in response to the Special Order.

Fiat Chrysler's Special Order response also included three dealer communications about Recall 13V-529, sent in November 2013, March 2014, and December 2014, that it did not previously submit to the Agency.

Fiat Chrysler also first provided NHTSA with a copy of a December 2014 dealer communication about Recall 14V-373 in response to the Special Order.

There were also four dealer communications about Recall 14V-391 that NHTSA first received through Fiat Chrysler's response to the Special Order. Those dealer communications were sent in July 2014 and in April and May 2015.

Fiat Chrysler also failed to submit to NHTSA a dealer communication about Recall 14V-567 it sent in September 2014 until responding to the Special Order.

NHTSA also first received in response to the Special Order a dealer communication Fiat Chrysler sent in December 2014 about Recall 14V-795.

Fiat Chrysler also first provided in its Special Order response a copy of a December 2014 dealer communication about Recall 14V-796.

There are four dealer communications about Recall 15V-090, sent in February, March, and April 2015, that Fiat Chrysler also failed to provide to the Agency prior to responding to the Special Order.

There is also a dealer communication about Recall 15V-115 that Fiat Chrysler sent in September 2014, but failed to provide to the Agency until responding to the Special Order.

Finally, Fiat Chrysler first provided NHTSA a copy of a March 2015 dealer communication about Recall 15V-178 in response to the Special Order.

Although Fiat Chrysler acknowledged in its Special Order response that it had not previously provided some of its dealer communications to the Agency, it has not provided any explanation for the months- and years-long delays in providing a copy of these communications to the Agency when the law requires them to be submitted within 5 days.

Even for the dealer communications that Fiat Chrysler does provide to the Agency, it routinely provides them late.

In Recall 13V-527, Fiat Chrysler waited 10 days to provide a copy of a dealer letter to NHTSA.

It waited 38 days to provide a copy of a dealer letter in Recall 14V-373 to NHTSA.

It also waited 21 days to submit a copy of a dealer letter for Recall 14V-438 to NHTSA.

In Recall 14V-634, Fiat Chrysler waited 10 days to submit one dealer letter to NHTSA and then waited 74 days before submitting a copy of a second dealer letter to NHTSA.

It also waited 18 days before submitting a copy of a dealer letter to NHTSA about Recall 14V-635.

Fiat Chrysler waited 8 days before submitting a copy of a dealer letter about Recall 14V-749.

It also did not submit a copy of a dealer letter about Recall 14V-795 until 17 days later.

It waited 39 days to submit a copy of a dealer letter about Recall 15V-046, and 15 days to submit a copy of a dealer letter about Recall 15V-090.

Fiat Chrysler also waited 12 days to submit a copy of a dealer letter about Recall 15V-114, and 15 days before submitting a copy of a dealer notice about 15V-115 to NHTSA.

This is a persistent problem and has not improved over time despite the changes Fiat Chrysler has said it has made to its organization over the last several months. While there may be a reasonable explanation for letting a deadline slip on occasion, such a widespread pattern of missing deadlines is unacceptable.

Failure to Provide Other Critical Information

Fiat Chrysler also has a pattern of repeatedly failing to provide NHTSA with other critical information about its recalls that is timely, accurate, and complete. As I discussed earlier, the law requires manufacturers to submit an amended Part 573 Report when the manufacturer has new or changed information about the recall. This is an important requirement because the mere fact of an amended Part 573 Report signals to the Agency and to the public that something significant has changed.

One of the critical pieces of information about a recall is the vehicles that are affected. A manufacturer is required to update its Part 573 Report within five working days to update the total number of vehicles potentially containing the defect or noncompliance.

Across multiple recalls, Fiat Chrysler has had problems correctly, completely, and timely identifying the vehicles affected by the recalls.

In several recalls, Fiat Chrysler submitted letters or quarterly recall reports to NHTSA that showed an apparent change to the number of vehicles involved in a recall, instead of filing an amended Part 573 Report as required.

In Recall No. 13V-038, Fiat Chrysler's most recent amended Part 573 Report, submitted on February 13, 2013, lists the potentially affected population as 278,222 vehicles. However, each of the quarterly reports that Fiat Chrysler has submitted since then has listed a different population: 278,229. Fiat Chrysler has not explained this discrepancy.

In Recall No. 13V-527, Fiat Chrysler reported to NHTSA in its May 7, 2015 Part 573 Report that the potentially affected population was 36,710. Just days later, Fiat Chrysler wrote in a letter that the population was 768 vehicles fewer. Fiat Chrysler never filed a Part 573 Report reflecting a changed population or otherwise explained this discrepancy.

In Recall 14V-154, Fiat Chrysler's Part 573 Report, submitted in April 2014, listed a potentially affected population of 644,354 vehicles. Without explanation and without submitting an amended Part 573 Report, Fiat Chrysler listed a population of 5,305 fewer vehicles in its July 2014 quarterly report. Again with no explanation, Fiat Chrysler's October 2014 quarterly report raised the population back to the initially reported 644,354 vehicles.

In Recall 14V-373, Fiat Chrysler reported a potentially affected population of 525,206 vehicles in its initial Part 573 Report, submitted July 1, 2014. This number drastically increased by 197,849 vehicles in a September 29, 2014 letter. Fiat Chrysler did not amend its Part 573 Report to reflect this change and, instead, in an amended Part 573 Report filed in December reverted to the initially reported population of 525,206 vehicles. Fiat Chrysler offered no explanation for this inconsistent information.

In Recall 14V-438, Fiat Chrysler's initial Part 573 Report in July 2014 stated that the potentially affected population was 643,618 vehicles. Then, in a September 2014 letter, Fiat Chrysler said that the population was 4,225 vehicles fewer. Fiat Chrysler never submitted an amended Part 573 Report to change the population. Instead, its amended Part 573 Reports submitted in December 2014 and March 2015 changed back to the initially reported population of 643,618 vehicles. Fiat Chrysler never explained these changes.

In Recall 14V-634, Fiat Chrysler's initial Part 573 Report in October 2014 gave a potentially affected population of 434,581 vehicles. This number changed slightly, increasing by 13 vehicles, according to a letter Fiat Chrysler sent to NHTSA in December 2014. Fiat Chrysler did not submit an amended Part 573 Report for a change to the population and then dropped the

number of vehicles back to the original population when it filed an amended Part 573 Reports in April 2015. Again, Fiat Chrysler never explained the discrepancy.

For Recall 14V-749, Fiat Chrysler reported a potentially affected population of zero in its initial Part 573 Report submitted in November 2014. Although Fiat Chrysler did not amend its Part 573 Report at the time, it reported the population as 11,674 in a December 2014 letter it sent to the Agency. It was not until April 2015 that Fiat Chrysler reported a potentially affected population in an amended Part 573 Report, as required. However, the population Fiat Chrysler reported—11,668 vehicles—was a different population that Fiat Chrysler earlier told the Agency. It offered no explanation for this inconsistency.

In Recall 14V-795, Fiat Chrysler initially reported a potentially affected population of 66,819 vehicles in its December 2014 Part 573 Report. It reiterated that number in an amended Part 573 Report filed in February 2015, but then told NHTSA a different population in a letter the following month. In its letter, Fiat Chrysler decreased the population by 12,758 vehicles with no explanation. Fiat Chrysler then waited almost two more months before reporting this new population in an amended Part 573 that it was required to submit within 5 days of knowing of the change.

In Recall 15V-046, Fiat Chrysler's January 2014 Part 573 Report provided a potentially affected population of 753,176 vehicles. However, in a letter Fiat Chrysler sent to the Agency in March 2015, it listed a population that was 1,416 vehicles fewer. Fiat Chrysler did not explain this discrepancy and has not amended its Part 573 Report.

In Recall 15V-090, Fiat Chrysler delayed filing an amended Part 573 Report to reflect a population change. There, Fiat Chrysler initially reported a potentially affected population of 25,734 vehicles in its February 2015 Part 573 Report. The next month, Fiat Chrysler listed a different population, which was 4,269 vehicles fewer, in a letter it submitted to the Agency. However, Fiat Chrysler delayed nearly another month before reporting a changed population in an amended Part 573 Report as required.

In Recall 15V-115, Fiat Chrysler reported a potentially affected population of 338,216 vehicles in its initial Part 573 Report in February 2015. Without explanation, it then increased the population by 33 vehicles according to a letter it sent the Agency in May 2015. However, later that same month, Fiat Chrysler submitted an amended Part 573 Report that still containing the original population of 338,216 vehicles.

The Part 573 Report is the authoritative source of information about a recall. In these eleven recalls, Fiat Chrysler provided different information to the Agency in letters and quarterly than it provided in its Part 573 Reports. This is a problem first because it buries important information about a recall into routine correspondence, rather than flagging it for the Agency and the public in an amended Part 573 Report as the law requires. In none of these recalls did Fiat Chrysler actually tell the Agency in these letters or quarterly reports that there was a change to the vehicle population. We only know that about that change from examining Fiat Chrysler's inconsistent reports.

It is also troubling that in some cases, the changes to the population reflected by the letters was sometimes later reported to the Agency in a Part 573 Report but in other cases subsequent Part 573 Reports contained no population change. That leaves the Agency wondering what information is accurate. Either the information in Fiat Chrysler's letters is incorrect or the information in Fiat Chrysler's amended Part 573 Reports is incorrect, but the Agency does not know which is which.

In other cases, the letters apparently do reflect a true change to the vehicle population which Fiat Chrysler later reported to the Agency in an amended Part 573 Report as required. However, Fiat Chrysler repeatedly delayed well beyond the five day deadline under the law for reporting updated population information.

Perhaps the most concerning aspect of these inconsistent population numbers is the impact it actually has on vehicle owners. In the recalls where Fiat Chrysler provided a different population in a letter than it had in its earlier Part 573 Report, those letters were cover letters accompanying Fiat Chrysler's submission of a copy of its owner letter. If Fiat Chrysler reported a lower population number in that cover letter, it suggests that Fiat Chrysler only sent owner letters to that lower number of vehicle owners. If there was not a true change in the vehicle population, that means Fiat Chrysler failed to notify some vehicle owners of the recalls. Obviously, a vehicle owner who does not know about a recall cannot have his or her car fixed.

Fiat Chrysler's repeated submission of inconsistent, incorrect, and untimely information on the population of its recalls can have a real impact on the effectiveness of those recalls.

In another example from earlier this year, in Recall No. 15V-041, Fiat Chrysler failed to correctly identify the vehicle identification numbers (VINs) associated with the recall. This recall was for a defect that may result in side curtain and seat air bags unexpectedly deploying. Oversight by my office, the Recall Management Division, caught about 65,000 vehicles impacted by this recall that Fiat Chrysler had not included in the recall. This means that Fiat Chrysler did not notify a significant number of vehicle owners of this defect for over 14 weeks.

Fiat Chrysler also failed to provide NHTSA with any information on the vehicles affected by its recall for Takata air bag inflators, Recall 14V-354, which later became a part of Recall No. 14V-817, for over seven weeks. Fiat Chrysler lagged far behind other manufacturers recalling vehicle for the same issue in identifying its affected vehicles.

Failure to Submit Information on Remedy

It is also critical for NHTSA to have timely, accurate, and complete information about a manufacturer's remedy plan, in other words when and how it is going to fix vehicles. A manufacturer is required to report this information in its Part 573 Report, including by amending its Part 573 Report within 5 working days of confirming or changing its remedy plan. Having access to information on a manufacturer's remedy plan is essential for the Agency to assess the remedy plan and to ensure that a manufacturer is meeting its obligation to adequately repair vehicle defects within a reasonable time. Fiat Chrysler has failed to provide timely information

on its remedy plan in at least two of the recalls that we are addressing in NHTSA's public hearing.

Recall 13V-527 is a recall involving a left tie rod ball stud that may fracture, resulting in the loss of steering control. In Fiat Chrysler's November 2013 Part 573 Report, it said that it would remedy vehicles by installing a redesigned tie rod assembly. In March 2013, Fiat Chrysler amended its Part 573 Report to indicate that replacement of the tie rod was an interim remedy and that vehicle owners would need to have a new steering linkage installed. At that time, Fiat Chrysler said it would notify dealers about the fix on April 17, 2015. Well after that date came and went, Fiat Chrysler filed an amended Part 573 Report on May 7, 2015 indicating that it was delaying the dealer notices until May 8, 2015. Since Fiat Chrysler had changed the remedy for this recall, it was particularly important for NHTSA to review this communication, which was a technical service bulletin giving dealers specific instructions on how to repair the vehicles. However, as I discussed earlier, Fiat Chrysler did not timely provide a copy of that communication to NHTSA.

Fiat Chrysler also failed to timely provide NHTSA with its plan for remedying the safety defect in Recall 14V-634. That recall involves a defect where the vehicle's alternator may rapidly fail, causing the vehicle to shut down and potentially causing a fire. Fiat Chrysler filed its initial Part 573 Report for this recall on October 7, 2014. As we routinely do, the Recall Management Division reminded Fiat Chrysler in an October 14, 2014 recall acknowledgement letter of its obligation to provide its plan for remedying the safety defect as soon as it has been determined. Over six months later, Fiat Chrysler notified vehicle owners that dealers would replace the alternator assembly. I contacted Fiat Chrysler on April 22, 2014 to ask why they still had not reported their remedy plan in an amended Part 573 Report. Although Fiat Chrysler staff repeatedly promised they would do so, and NHTSA repeatedly reminded Fiat Chrysler to do so, it took Fiat Chrysler until May 7, 2014 to file an amended Part 573 Report including information on its remedy plan. Based on my communications with Fiat Chrysler staff, I believe that they did not understand their obligation to include this information in their Part 573 Report. This is hard to fathom for a company with as much recall experience as Fiat Chrysler. NHTSA staff should not have to explain and repeatedly remind Fiat Chrysler about basic recall requirements as we had to do here.

Conclusion

I have addressed numerous different problems with Fiat Chrysler's recalls. As my statement demonstrates, Fiat Chrysler has failed to timely notify vehicle owners, within 60 days as the law required. Fiat Chrysler also waited months before initiating recalls to fix two safety-related defects. In multiple recalls, Fiat Chrysler failed to notify NHTSA about changes to its schedule for notifying owners and dealers about the recalls. Fiat Chrysler also repeatedly failed to submit copies of recall communications to the Agency and to update the Agency on new or changed information concerning its recalls. In a number of recalls, Fiat Chrysler also failed to provide the Agency with information on its plan for remedying the vehicles as required by law.