

Testimony of Mary T. Barra
Before
The Senate Committee on Commerce, Science and Transportation
Subcommittee on Consumer Protection, Product Safety, and Insurance
July 17, 2014

Chairman McCaskill and Ranking Member Heller, members of the Committee...

When I first appeared before you, we were in the earliest stages of the ignition switch recall. I promised you we would get answers and be fully transparent in what we learn. I also said that I would not wait to make changes.

Today, our work to fully understand and fix the mistakes that led to the ignition switch recall is well underway. As a result, we are building a stronger company that places customers and their safety at the center of every aspect of our business.

In a town hall meeting before thousands of GM employees — and several thousand more around the world via satellite — we accepted responsibility for what went wrong. I told the men and women of GM that our actions will be guided by two clear principles: We will do everything within our power to make sure this never happens again. And, we will do the right thing for those who were harmed.

It is on this very important point that I want to begin.

I want to recognize the families who lost loved ones and those who have suffered physical injury because of these mistakes. To each of them, I extend our deepest sympathies. We will not forget them, nor the special responsibility we have to them. We are committed to treating each of them with compassion, decency and fairness. That is why Ken Feinberg will independently administer a compensation plan.

Mr. Feinberg will talk more about his compensation program. It is, however, worth noting that he has complete and sole discretion over all compensation awards to eligible victims. And this is important — there is no cap on that fund.

As I stated earlier, we will do all we can to make certain that this does not happen again. We created this compensation program as an exceptional response to a unique set of mistakes that were made over an extended period of time.

The Valukas report was only a start, and many changes were in motion even before we received the findings of the report. I will use the report's findings and recommendations to attack and remove information silos wherever we find them and to create an organization that is accountable and focused on the customer. I am committed to acting on all of the recommendations contained in the report.

Actions that we have already taken and about which you have no doubt heard already include:

- We elevated safety decision-making to the highest levels of the company. I created a new position, Vice President of Global Safety. He has full access to me.
- We removed fifteen employees from the company...some for misconduct or incompetence, others because they didn't take responsibility or act with a sense of urgency.
- We instituted the Speak Up for Safety program to encourage and recognize employees to report potential safety issues quickly.
- We added 35 safety investigators to identify and address issues much more quickly.
- We aligned the legal staff to help assure greater transparency and information sharing among that staff and other business units across GM.

Overall, we are dramatically enhancing our approach to safety. You can see it in the aggressive stance we are taking on recalls with the redoubling of our efforts.

We are bringing greater rigor, discipline and urgency to our analysis and decision making. We are mining every source of data available to us from the factory floor to warranty claims to customer calls and social media. We're not waiting to see if trends develop or updating spreadsheets. We want our customers to know that if we identify an issue that could possibly affect their safety, we will act quickly.

Yes, we've recalled large volumes of past models — a result of our exhaustive review coming out of the ignition switch recall. But, we also conducted 12 recalls of less than 1,000 vehicles and 4 recalls of less than 100 this year. In this way, we are keeping the vehicle populations small and limiting the risk and inconvenience to fewer customers. This demonstrates how quickly we are reacting when we become aware of an issue.

I also know these recent efforts and the current frequency of recalls have garnered considerable attention. But placing the highest value on our customers' safety is what our employees want to be known for. We want to stand as the company that is setting the new industry standard for safety.

Our employees will not forget what led to the ignition switch recall — but they do not want to be defined by it. After my town hall, I could hear it in their voices and read it in their messages — they are “all in” to make this a better company.

I believe in them, and together, we have been working hard over the last few months to address the underlying issues that caused this problem in the first place. Since that town hall meeting, I have been inundated with calls and emails from employees telling me that they are more motivated than ever to make GM the best possible company for customers.

This is our mission. It won't happen overnight but we are holding each other accountable to do exactly that.

Thank you again for having me here today. I welcome your questions.