



## *Chevy Volt's problems may not be over as GM's CEO prepares to face Congress*

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The Chevrolet Volt got a clean bill of health, last Friday, with the National Highway Traffic Safety Administration closing its investigation into potential problems with the plug-in hybrid's battery pack – but that doesn't mean General Motors' problems with the Volt are over, as a Congressional hearing is scheduled to begin on Wednesday.

The Volt controversy stems from a fire that occurred last spring, weeks after one of the battery cars went through a federal crash test. A second Volt battery pack caught fire after being tested in November. That triggered an investigation by the NHTSA – as well as hearings by the House Committee on Oversight and Government Reform, California Republican and committee chairman Darryl Issa contending that the government agency initially tried to cover up the original fire.

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Meanwhile, GM, noting that there have been no real-world reports of battery-related fires, nonetheless announced on January 5 that it will make a number of small but significant modifications to further reduce the likelihood of problems with the battery pack.

“Based on the available [data](#), NHTSA does not believe that Chevy Volts or other electric vehicles pose a greater risk of fire than gasoline-powered vehicles,” said a statement from NHTSA that also noted fire is a risk with all vehicles. Indeed, there are thousands of such incidents involving gas-powered vehicles every year.

A spokesman for GM responded that NHTSA's move was "consistent" with the maker's own internal testing, while adding that the modifications that will be made to new Volts – with free modifications being offered to current owners – "will provide additional protection...minimizing the risk of a post-crash fire in the days and weeks after a severe crash and rollover."

What has frustrated critics, including Cong. Issa, was the fact that NHTSA initially delayed reporting the first fire for five months. It was disclosed in a report by the Reuters news service on November 12th. The issue has become politicized in the current Washington climate, critics – mostly on the Republican side of the aisle – openly wondering whether the Obama Administration, to whom NHTSA reports, wanted to avoid the bad publicity a problem with Volt might cause.

The government owned a majority stake in GM following its 2009 bankruptcy and continues to hold about a quarter of the company's shares following GM's November 2010 IPO.

The hearing on Capitol Hill, this week, is titled, "Volt Vehicle Fire: What did NHTSA know and when did they know it?" an obvious refrain of the question frequently posed about President Richard Nixon during the Watergate scandal. Both NHTSA and GM contend they used the delay to investigate the cause of the fire – which they also note occurred a full three weeks after the original Volt side-impact crash test. It now appears that the cause of the fire was a cup full of battery coolant fluid that leaked out after the battery pack was breached. After such side-impact tests, NHTSA puts a vehicle through what is commonly referred to as the "roisserie test," the vehicle slowly being rotated to permit hidden leaks to be found.

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In this case, it appears that the fluid ultimately reached a circuit board on the top of the battery. Normally non-conductive, the coolant went through a chemical change over several weeks, eventually leading to a short and fire.

As part of the changes it announced this month, GM plans to add new crash protection to prevent penetration of the battery during a side impact. It is also modifying the circuit board system to prevent just such a short from occurring. In a letter to the Detroit News, posted January 12th, Transportation Secretary Ray LaHood asserted that, "No one from the Executive Office of the President

requested or in any way suggested that NHTSA delay public release of information related to the Volt fire.”

Meanwhile, General Motors Chairman Dan Akerson has asked to appear at the Wednesday hearing and is expected to further downplay such conspiracy theories – while also underscoring the maker’s confidence in the safety of the vehicle.

Issa’s own political leanings could come under the microscope. The California conservative has been a sharp critic of the GM bailout and media colleague John Voelker today noted that Issa used Facebook recently to promote a New York Post article by Patrick J. Michaels, of the Libertarian Cato Institute, titled “GM’s flop in green,” which declared the Volt “one part lemon, one part taxpayer albatross.” It also brings up a variety of complaints alleging the White House has been calling the shots on the GM product line-up.

Ironically, the administration actually wanted to kill off the Volt – which it thought would lose money – along with four North American brands that were dropped after the GM bankruptcy.

The hearings are unlikely to result in any significant changes in policy, but the GOP will clearly see the event as a way to revive concerns about “Government Motors” and the controversial GM bailout. The White House and the maker itself are expected to counter by noting how GM is regaining market share and profitability while also hoping to highlight the message that Volt is safe.