

Toyota must pay record US\$17m fine

WASHINGTON, USA: Toyota Motor will pay a record US\$17.35m fine for failing to promptly notify US authorities about a safety defect on 2010 Lexus models, a federal agency said on Tuesday (18 December).



The National Highway Traffic Safety Administration said Toyota had agreed to pay the penalty, the maximum fine allowed under the law, "in response to the agency's assertion that the automaker failed to report a safety defect to the federal government in a timely manner."

"This action represents the single highest civil penalty amount ever paid to NHTSA for violations stemming from a recall," the NHTSA said.

Toyota announced in late June the recall in the United States of 154,000 Lexus RX 350 and RX 450h 2010 models to fix a problem with the floor mat that could trap the accelerator pedal, causing undesired acceleration.

The NHTSA noted the company's recall came after it had contacted Toyota in May about a trend in floor mat pedal entrapment in 2010 Lexus RX 350s.

A month later, Toyota told the agency it was aware of 63 alleged incidents of the problem since 2009, it said.

Under US federal law, all car manufacturers must notify the NHTSA within five business days of determining that a safety defect exists or that the vehicle is non-compliant with US safety standards and to promptly conduct a recall.

"Safety is our highest priority," said US Transportation Secretary Ray LaHood. "With this's announcement, I expect Toyota to rigorously reinforce its commitment to adhering to United States safety regulations."

Toyota, in a separate statement, said it would make the payment "without admitting any violation of its obligations under the US Safety Act."

"We agreed to this settlement in order to avoid a time-consuming dispute and to focus fully on our shared commitment with NHTSA to keep drivers safe," said Ray Tanguay, chief quality officer of Toyota North America.

The last time the Japanese car manufacturer faced US civil penalties was in 2010, when it agreed to pay US\$48.8m as a result of three separate investigations of its handling of vehicle recalls.

Toyota paid maximum civil penalties for violations stemming from pedal entrapment, sticky accelerator pedals and steering relay rod recalls, the NHTSA said.

Source: *AFP* via I-Net Bridge