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Obama Administration Says It Is 'Not Finished With Toyota'

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By JOSH MITCHELL And NORIHIKO SHIROUZU

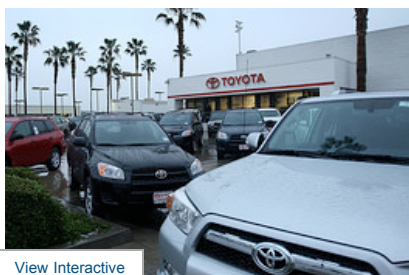
The Obama administration toughened its stance toward Toyota Motor Corp. on Tuesday, saying it is still reviewing possible safety defects in the company's vehicles and weighing other actions.

"We're not finished with Toyota and are continuing to review possible defects and monitor the implementation of the recalls," Transportation Secretary Ray LaHood said in a statement.

Another DOT official said the agency is considering a civil penalty against the Japanese auto maker.

Mr. LaHood, in his statement, said "while Toyota is taking responsible action now, it unfortunately took an enormous effort to get to this point."

Recall Roadblocks



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seriously and instituted a recall. We are very grateful for his advice and we feel that we have been given a chance to regain our customers' trust. We will continue to cooperate fully with NHTSA on all vehicle safety issues."

Earlier Tuesday, Toyota's apologetic chief quality officer said the auto maker's massive recall may prompt soul-searching at the company about its process of checking reliability, possibly

Mr. LaHood said DOT officials flew to Japan in December to remind Toyota executives "about its legal obligations and followed up with a meeting at DOT headquarters in January to insist they address the accelerator pedal issue."

Last week, Mr. LaHood said he had no issues with how Toyota had responded to the sudden-acceleration problems that led to the recall of millions of vehicles.

Toyota spokesman John Hanson said in a statement that "nothing is more important to us than the safety and reliability of the vehicles our customers drive. Secretary LaHood said to us that the soonest possible action would be in the best interests of our customers, and we took his advice very

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altering the way designers scrutinize parts in the future.

In the first detailed comments by a Japanese headquarters executive since the recall and sales and production halt were announced last month, Toyota Executive Vice President Shinichi Sasaki told reporters in Nagoya, Japan, that the company may not have done enough to look at how parts interact with each other, and how that could cause system failures.

Mr. Sasaki said the reliability of individual components is always regularly checked. But he added the company may have overlooked the need for "the kind of reliability tests that look into how individual components perform as a whole inside the car under different environmental conditions."

"We need to do those checks more thoroughly."

Some Toyota dealerships are working around the clock to assist Toyota drivers with cars on the recall list. Courtesy Fox News.

Mr. Sasaki said defective acceleration pedals, which were identified last month as a cause for sudden unwanted acceleration, were susceptible to moisture, and that condition in some cases caused them stick in the depressed position. He noted this was not understood until recently because of the lack of research on how those accelerator pedal systems were affected by certain climate conditions inside the recalled cars, which caused the harmful moisture to build inside the pedals.

It was a remarkable admission after a remarkable week for a company that has long prided itself as setting the global design and manufacturing standard for quality control.

Mr. Sasaki, a 63-year-old veteran engineer with nearly 40 years with Toyota, also announced that the company had expanded the recall to cover 180,000 vehicles in the Middle East, Latin America and Africa. Combined with previously announced recalls in the U.S., Canada, Europe, and China, the company said its world-wide recall for faulty pedals and floor mats had hit 8.1 million units.

Mr. Sasaki began the press conference bowing deeply and offering an apology to Toyota's customers. Appearing alone before a crowded room of reporters, he repeated over and over throughout the press conference the phrase "okyakusama dai ichi" -- "customer first" -- a concept that Toyota has widely been accused of forgetting as it pursued rapid global expansion.

Journalists pressed Mr. Sasaki to explain the continued absence from the public scene of Toyota's chief executive—Akio Toyoda, the grandson of the company founder—to explain the problems at the company. Mr. Toyoda has so far only given one brief impromptu television interview since the controversy exploded last week.

Mr. Sasaki said he was the "direct charge" of quality and thus the problem, and that Mr. Toyoda had personally told him "do whatever it takes" to put the customer first. "I dealt with this problem without worrying about the bottom line" and that the big fix may affect the company's earnings, he said.

Mr. Sasaki acknowledged the recall had caused major damage to Toyota's reputation, and said he is "extremely concerned" about a possible sales slump. Already sales in the U.S. and elsewhere are slipping, and given the severity of the recalls, Mr. Sasaki said he anticipates a "big hit" to Toyota's global sales.

On Monday, Toyota announced in the U.S. that it had begun shipping a fix to the sticky gas pedal problem that forced the company to recall millions of vehicles and stop selling eight models in the U.S. and some other countries. The fix is a part, a shim, which will be inserted into the gas pedal assembly to prevent it from becoming stuck in the depressed position.

Some industry insiders and regulators speculated the gas pedal's electronics was also at fault. But on Tuesday, Mr. Sasaki said the company is convinced sticky acceleration pedals aren't caused by faulty electronics in its vehicles.

Toyota Dealers Go Into Overdrive to Fix Pedals
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News Hub: Toyota's Sticky Gas Pedal Situation
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Toyota has looked into the pedal's sensors, and "as far as we can tell now, we have not found a single case where electronics played a role in the sudden acceleration issue," Mr. Sasaki said.

—Yoshio Takahashi contributed to this article.

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