

Toyota, NHTSA Investigating California Runaway Prius Incident

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I am really feeling sorry for Toyota these days. They're getting no relief at all from the flood of bad publicity (including on this blog). Here's the latest after the Prius incident in California:

Coverage of Toyota's recall crisis surged again this week on reports of another case of a runaway Toyota vehicle, even as Toyota was engaged in a media event meant to refute claims that an electronic fault is to blame for unintended acceleration. All three network news broadcasts led their programs with the story, while several print and online sources also covered the event. ABC World News (3/9, lead story, 3:00, Sawyer) reported on Toyota's efforts to cope with "the fallout from a frightening drama on a California highway. The federal government dispatched investigators after a Prius raced headlong on a San Diego interstate, more than 90 miles per hour." The piece features images of the vehicle bumper-to-bumper with a police cruiser that helped to physically slow it, and audio of Prius owner James Sikes' desperate 911 call.

The <u>CBS Evening News</u> (3/9, lead story, 3:05, Couric) reported that Sikes had tried to have the car serviced under Toyota's recall, but was turned away. "And now the federal government is involved. They want to know what caused the car to speed out of control. The now-infamous runaway Prius was hauled back to the dealership this morning."

<u>NBC Nightly News</u> (3/9, lead story, 2:50, Williams) reported, "The fall of Toyota continues to be one of the most spectacular public relations and technical failures ever suffered by a big company in the modern era. And Toyota sure didn't need this. Yet another horror story of an unstoppable Toyota on a highway."

In a follow-up report, <u>NBC Nightly News</u> (3/9, story 2, 3:00, Williams) explores the question of whether there could be an electronic cause of such cases of unintended acceleration, though Toyota continues to vigorously refute this possibility.

The <u>Washington Post</u> (3/10, Ahrens) reports, "Toyota's run of troubles and terrible timing continues," noting the juxtaposition of Monday's press event to debunk reports of an electronic fault causing unintended acceleration in its vehicles with the case of "a Toyota Prius with an apparently stuck gas pedal [which] took its driver on a 30-mile wild ride on an interstate not far

Kraft & Associates 2777 Stemmons Freeway Suite 1300 Dallas, Texas 75207 Toll Free: (800) 989-9999 FAX: (214) 637-2118 E-mail: info@kraftlaw.com from Toyota's US headquarters in Southern California. Outside of San Diego on Monday, James Sikes found himself behind the wheel of his blue Toyota 2008 Prius hybrid with what he said later was a stuck accelerator. In an interview with ABC News after the incident, from which he emerged safely, Sikes said his Prius sped up to 94 mph on its own." Sikes reported that the floor mat was not engaged with the pedal, that that attempts to pull it up with his hand failed.

<u>Reuters</u> (3/10, Gorman, Woodall) reports that Transportation Secretary Ray LaHood said that NHTSA has dispatched investigators to San Diego to investigate the incident. The piece notes that Toyota is also sending investigators, and relates an NHTSA statement saying "NHTSA is reminding owners of all recalled vehicles to contact their dealers immediately if they are experiencing problems."

The <u>AP</u> (3/10) reports that NHTSA investigators will "try to determine what caused the incident," adding that "in a statement, Toyota said it has dispatched a field technical specialist to San Diego to investigate the incident," which according to Sikes "occurred just two weeks after he had taken the vehicle in to an El Cajon dealership for repairs after receiving a recall notice, but he was turned away. 'I gave them my recall notice and they handed it back and said I'm not on the recall list,' Sikes said."

The <u>Los Angeles Times</u> (3/10, Marosi, Olivarez-Giles) relates Sikes story of his ordeal, noting that meanwhile, "a congressional panel investigating unintended acceleration problems with Toyota vehicles said it received another report of a runaway car in San Diego last Friday."

Another Prius incident in New York. <u>USA Today</u> (3/10, Hyde, Korngold) that "another driver's out-ofcontrol Prius slammed into a stone wall in New York on Tuesday," even as Toyota "sought to contain the fallout from" the California case. "A 56-year-old woman was pulling out of a driveway when her 2005 Prius 'shot' across the road, Harrison, N.Y., police said."

The <u>Detroit Free Press</u> (3/10, Korngold) reports that the woman "suffered non-life threatening injuries," but according to Harrison acting Chief Anthony Marraccini, "The collision sent 'some pretty big boulders' fairly far. ... Marraccini said the floor mat has been pretty much ruled out as a cause."

Toyota still fine tuning Prius recall fix. The <u>Detroit News</u> (3/10, Shepardson) reports that Toyota says it is "still working on a fix for the more than 700,000 recalled" Priuses, noting that "almost four months after announcing the recall, Toyota hasn't begun repairing Prius models because it is still working on its precise remedy, spokesman Brian Lyons said Tuesday."

Lost value lawsuits could cost Toyota over \$3 billion. The <u>AP</u> (3/10) reports that Toyota owners have filed some 89 class-action lawsuits against Toyota over declining resale value, estimating the potential losses to the company to be in excess of \$3 billion. "Those estimates do not include potential payouts for wrongful death and injury lawsuits, which could reach in the tens of millions each. Still, the sheer volume of cases involving U.S. Toyota owners claiming lost value -- 6 million or more -- could prove far more costly, adding up to losses in the billions for the

Kraft & Associates 2777 Stemmons Freeway Suite 1300 Dallas, Texas 75207 Toll Free: (800) 989-9999 FAX: (214) 637-2118 E-mail: info@kraftlaw.com automaker." Meanwhile, the <u>Wall Street Journal</u> (3/10, Sanchanta, Takahashi) reports that Toyota's total possible losses from its recall crisis could top \$5 billion in the coming year.

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