

# GM recalls 475,000 Chevrolet Cruzes

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## General

Motors is recalling more than 475,000 of its Chevrolet Cruze autos because of reported engine fires that destroyed two of the vehicles. In March, the National Highway Traffic Safety Administration opened a preliminary investigation into the two fires, both of which occurred with 2011 Cruze models. The carmaker said there were no crashes or injuries caused by the problem it traced to engine shields on the undersides of the cars.

GM said fires could start or spread if oil or other flammable liquids dripped on to the shields. Neither the agency nor GM would say where or when the fires occurred, but GM said it found more incidents than were initially reported by the transportation administration.

"Our engineers have found about 30 fires in total, most of them are related to oil or improper parts," said Alan Adler, a GM spokesman.

The voluntary recall includes all 2011 and 2012 Cruzes sold in the United States, Canada and Israel. All of the cars were manufactured at a Chevrolet plant in Lordstown, Ohio. The Cruze is Chevrolet's bestselling brand worldwide, according to GM. More than 1 million of the cars have been sold since 2009. The base manufacturer's suggested retail price for the Cruze is \$16,800.

The fix, which will involve modifying the engine shield but not the addition of any parts, will take about 30 minutes per car, GM said. The work will be done at Chevy dealerships at no cost to consumers.

Letters informing owners of the recall will be mailed to Cruze owners beginning in mid-July, according to a GM statement. Adler said they wouldn't go out until then because of the Fourth of July holiday and the requirement that the traffic safety administration approve the recall letter.

Jack Gillis, director of the Public Affairs Consumer Federation of America and author of "The Car Book," said the size of the recall has the potential to tarnish GM's image.

"This is a substantial recall. It is really, really huge," Gillis said. "A recall like this can eat away at the substantially improved reputation that domestic car companies have." But he said that General Motors seemed to be handling the recall in a "proactive" manner that could limit the public relations damage.

Jessica Caldwell, an analyst for Edmunds.com, said the target market for the Cruze is a somewhat laid-back buyer who might not search out the intricacies of the recall. Caldwell said she didn't think the problem would have a long-term effect on the automaker's sales, but that it was important for GM to get ahead of the situation. She said the way Toyota handled recalls in 2009 and 2010 in connection with sudden, unintended-acceleration issues on its cars was disastrous for the company's reputation.

"No one wants to be in the position Toyota was in," Caldwell said, "not just from a PR standpoint but from a perception standpoint."

GM's shares were down Friday 4 cents, or 0.19%, to \$20.60.