NHTSA Announces Mercedes Benz USA Settlement Agreement

December 18, 2019 | Washington, DC

The National Highway Traffic Safety Administration today announced it had signed a $20 million settlement agreement with Mercedes Benz USA (MBUSA) to resolve Audit Query (AQ) 18-004, which NHTSA opened in 2018 to investigate MBUSA's recall reporting and recall execution practices.

The settlement reflects the agency's conclusions about MBUSA's recall management and its compliance with the National Traffic and Motor Vehicle Safety Act, as well as the agency's implementing regulations. The settlement resolves the agency's investigation into the timeliness and adequacy of MBUSA's compliance with notification and reporting requirements applicable to vehicle safety defects and to noncompliance with vehicle safety standards. In addition, the settlement addresses concerns about the operation and functionality of MBUSA's vehicle information number (VIN) recall lookup, a tool that is important for providing information to consumers about recalls affecting their vehicles.

"Safety is NHTSA's top priority, and the agency's reporting requirements help ensure that consumers are protected and given important information about how to get recalls repaired," said NHTSA Acting Administrator James Owens. "These laws are critical to ensure NHTSA's ability to provide oversight, and we expect manufacturers to follow their legal obligations to the agency and to consumers in carrying out safety recalls."

Under the settlement agreement, MBUSA is subject to a total civil penalty of $20 million. This includes an up-front payment of $13 million, with an additional $7 million deferred penalty that may become payable if specified conditions are not satisfied.

The agreement's term is one year, with the option for NHTSA to extend for an additional year under certain conditions.

MBUSA also agrees to meet regularly with NHTSA to discuss recall execution and reporting issues, as well as the performance of MBUSA's VIN lookup tool.

The settlement agreement is available here.