## **NHTSA Announces Consent Order with Volvo Group North America**

Includes a total civil penalty of \$130 million

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The National Highway Traffic Safety Administration has announced a <u>consent order</u> with Volvo Group North America, a collective of several manufacturers of heavy-duty trucks and buses. Volvo Group North America is a separate entity from Volvo Cars.

The action follows <u>an investigation</u> that found the company failed to recall vehicles in a timely fashion and to comply with other recall and reporting requirements, including notifying owners of recalls and reporting death and injury incidents. The consent order includes a total civil penalty of \$130 million, one of the largest-ever penalties for violations of the Vehicle Safety Act.

The consent order includes both monetary and non-monetary provisions designed to improve Volvo Group North America's compliance with the law and the company's safety practices.

"NHTSA will use the full scope of our authorities to protect the public from safety defects and from manufacturers that create potential safety problems by failing to comply with the law," NHTSA Acting Administrator Ann Carlson said.

Volvo Group North America has agreed to oversight by an independent third-party auditor, as well as to meet regularly with NHTSA to ensure that it addresses any potential safety issues. The auditor will review Volvo Group North America's processes to assess compliance with the Vehicle Safety Act, regulations, and the consent order, and recommend and oversee implementation of organizational and process improvements to enhance Federal Motor Vehicle Safety Standards compliance and certification. The auditor will also oversee a review of past submissions to NHTSA for accuracy and completeness.

Volvo Group North America will develop and implement a safety data analytics infrastructure to enhance its ability to detect and investigate potential safety defects.

The company will develop written procedures and training for its employees on compliance with the Vehicle Safety Act, regulations, and the consent order, as well as a training schedule to ensure that its employees are onboarded and trained appropriately. Volvo Group North America will also launch a user interface on its websites to allow users to search vehicle identification numbers for open recalls and implement a system to support NHTSA's VIN lookup tool.

The term of this consent order with NHTSA is three years, which NHTSA may extend for up to two additional years if warranted. The consent order requires the company to make an upfront payment of \$65 million and spend an additional \$20 million on the specific performance obligation to create a safety data analytics infrastructure, and includes an additional \$45 million deferred penalty that may become payable under specified circumstances.

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