

TOYOTA RECALLS MILLIONS OF VEHICLES

Introduction



Download the mp3 of this Introduction at newsinreview.cbclearning.ca.

Focus

This CBC *News in Review* story focuses on the problems plaguing the giant Japanese automaker Toyota as it copes with a massive recall of its vehicles for safety defects. We'll look at the impact on Canadian Toyota owners and the potentially long-term damage to Toyota's reputation.

Did you know . . .

Sales of Toyota's vehicles—which rose in 2008 and 2009 in the wake of the financial difficulties facing its main North American competitors such as General Motors—began to decline markedly in early 2010.

For decades, the Japanese auto firm Toyota enjoyed a worldwide reputation for excellence in the design and performance of the vehicles it manufactures. To many car owners in Canada and other countries, the Toyota brand had come to represent reliability, good value, and state-of-the-art technology. When the company announced a major recall of some of its best-selling models in late 2009 and early 2010 to repair faulty accelerator pedals, the effect on its image—to say nothing of its sales and profits—was devastating.

The recalls escalated as a series of serious problems associated with “unintended acceleration” came to light. The acceleration defects had resulted in some highway fatalities as drivers desperately struggled to control their speeding cars. Toyota officials initially claimed that misplaced floor mats on the driver's side of the vehicle were responsible for the problem, but it later became clear that the pedals themselves had a major design flaw requiring immediate attention.

By February 2010, almost nine million Toyotas had been recalled worldwide, including 275 000 vehicles in Canada. The models subject to the recall included some of Toyota's most popular vehicles, such as the recently introduced Prius (a

gas-and-electric hybrid) and two of its traditional best-sellers, the Camry and Corolla. In addition, some models of the luxury Lexus brand were also recalled.

As the scope of the recall widened, Toyota executives began a desperate attempt at damage control, and some observers accused the company of minimizing, or even covering up, the true dimensions of the design flaws in their vehicles and the safety hazards they represented. Company officials, including Toyota president Akio Toyoda, appeared before lawmakers in both the United States and Canada to apologize for Toyota's failure to deal with the problem quickly and effectively and promised that the company would strive to improve quality control and product design to prevent similar problems from arising in the future.

Many consumers were not persuaded by Toyota's reassurances, and auto-industry experts speculated that the recall may have caused irreparable damage to the company's reputation. Many Toyota dealers in Canada and the United States were offering very attractive incentives to potential buyers in an attempt to lure them back to the company's showrooms and bolster flagging sales. But whether or not this would be enough to reverse the company's sliding fortunes remained to be seen.

To Consider

1. Why has Toyota's reputation as an automobile manufacturer suffered such a setback from the recall of some of its vehicles?
2. What steps has Toyota taken to handle the problems associated with the recall? How effective have these steps been?
3. If you were in the market for a new car today, would you consider buying a Toyota product? Why or why not?

TOYOTA RECALLS MILLIONS OF VEHICLES

Video Review

Quote

"My family members drive Toyotas. My friends and neighbours drive Toyotas. I would not have them in products that I knew were not safe."

— Jim Lentz, President, Toyota USA

Quote

"What you're saying to the public is, look, the boys at the very top get the message, they're on it, and they're going to take care of this issue." — Lindsay Meredith, professor of marketing, Simon Fraser University

Pre-viewing Activity

With a partner, or in a small group, discuss the following questions.

1. What do you know about the Toyota car recall?

2. Was your family, or any of your friends' families, affected by the recall? If so, in what way?

3. Do you think you would still consider buying a Toyota in the future? Why or why not?

Video Questions

As you watch the video respond to the questions in the spaces provided.

1. How many countries have a Toyota manufacturing or assembly plant? _____

2. Why did Elin Bergman choose to buy a Toyota for her daughter?

3. What did the car dealership do to Bergman's Toyota when she took it in for servicing?

4. In what country was the defective parts made? _____

5. How are dealerships coping with the massive number of recalled cars?

6. How did Toyota first try to fix the problems with the accelerator pedals?

7. What concerns about the electronics of Toyota vehicles were raised during the recall?

8. What problems were reported in the Lexus and Prius hybrids?

9. What is the link between the sophistication of cars and safety problems?

10. How did the recall affect sales of Toyotas in Canada in early 2010?

Post-viewing Activity

After you have watched the video, discuss and respond to the following questions. Your teacher may choose to place you in a small group with other students.

1. Review your response to video question number 3 on page 21. Do you believe the action taken by her dealership was a sufficient response to the safety problems associated with the recalled Toyotas? Explain your answer.

2. Review your answer to question 10, above. How can you explain the increase in sales?

3. Now that you have learned more about the Toyota recall, would you consider buying a Toyota in future? Why? Has your answer changed as a result of watching this *News in Review* story?

TOYOTA RECALLS MILLIONS OF VEHICLES

The Recall: Questions and Answers

Further Research

Learn more about Toyota and the recall at the company's Web site: www.toyota.com.

Reading Prompt

As you read the following information, make notes about the various causes and consequences of the recall. You will be using your notes for a post-viewing activity.

Here are the answers to some frequently asked questions about the recall of Toyota vehicles that began in late 2009 and continued into 2010.

1. When did the problem start?

In September 2009 Toyota announced the recall of 55 000 Camry and Lexus ES 350 sedans to replace all-weather floor mats that were believed to be interfering with the accelerator pedals of these vehicles. This action followed a widely reported collision in late August that had resulted in the deaths of four people travelling in a rented Lexus ES 350 in San Diego, California.

A subsequent investigation by the National Highway Traffic Safety Administration (NHTSA) in the United States—the federal body responsible for monitoring the safety of motor vehicles—found that the accident had been caused by an improperly installed floor mat that was originally intended for another Lexus model. The floor mat had caused the Lexus to accelerate uncontrollably, making it impossible for the driver to stop the car in time to avoid the fatal crash.

In November 2009 Toyota extended the floor mat recall to almost four million vehicles sold in North America. The recall would allow Toyota to reconfigure the accelerator pedal, replace the all-weather floor mats with thinner mats, and install a brake override system to prevent unintended acceleration. This system—known as “brake to idle”—allows the driver to override the

accelerator by hitting the brakes in order to bring the car to a halt.

2. How did the problem expand?

A second and much more serious worldwide recall of millions of Toyota vehicles began in January 2010 as a result of defects associated with the accelerator pedal itself. After the floor-mat recall, it was discovered that a number of crashes had occurred where floor mats had not been responsible. In these cases, the accelerator pedal itself had become stuck, causing the vehicle to accelerate uncontrollably.

This recall covered millions of vehicles manufactured between 2005 and 2009 and sold in Canada, the U.S., Europe, and China. The recall affected popular models such as the Camry, Corolla, and Highlander SUV. In addition to the recall, Toyota also announced that it was temporarily suspending future production of the affected models until the problems with the accelerator pedals were resolved.

By early February the total number of Toyota vehicles subjected to recall had risen to an incredible nine million worldwide. At the same time, the NHTSA released a report finding that at least 37 people had died as a result of accidents caused by unintended acceleration of the Toyota vehicles they had been driving.

3. Who was affected?

Millions of Toyota owners in Canada and other countries were affected by the

Did you know . . .

Some observers believe that Toyota may have cut corners on its traditionally high standards of design, production, and workmanship, leading to defects in some of its vehicles in its efforts to rise to the top of the automobile market.

recall. Toyota sought to reassure those individuals that the repairs required to resolve the problems were minor and that once the accelerator pedals were reconfigured there should be no danger of any malfunction. This procedure involved inserting a steel reinforcement bar in a gap in the accelerator pedal mechanism in order to reduce the likelihood that it would become stuck in one position, potentially causing the vehicle to accelerate uncontrollably.

As a result of the publicity surrounding these mechanical defects—and the scope of the Toyota recall to remedy them—many owners became quite concerned about the safety of their vehicles. In addition, people who wanted to sell their used Toyotas found that the resale value of their automobiles had plummeted.

As a result, many Toyota owners in Canada and the United States explored the possibility of a class-action lawsuit against the company for the losses and/or damages they had suffered.

4. What were the risks?

According to Toyota officials, there were only a handful of proven cases of unintended acceleration, and the risk to owners of the vehicles subject to the recall was very small. Toyota disputed some of the more widely publicized cases of vehicles accelerating out of control—like the case of James Sikes, a Prius owner who claimed that his car accelerated to 160 km per hour on a California highway before he was able to bring it to a stop with the assistance of the local Highway Patrol. It was later determined that Sikes was behind in his payments on the vehicle and was seeking a replacement to compensate for the incident.

Toyota officials used this case as proof that at least some of the reported instances of unintended acceleration were the result of driver error or

possibly even fraud and not by any mechanical defects in the functioning of the accelerator pedal. But despite company efforts to assure the public that unintended acceleration was an extremely rare phenomenon, and that once the recalled vehicles were repaired they would be completely safe, many Toyota owners remained suspicious and worried.

5. What was the scope of the recall?

In February 2010, Toyota announced that it was suspending production of the vehicles suspected of containing mechanical flaws and that it would install brake override systems in all of its vehicles by the end of 2010. By this time, nine million vehicles had been recalled, and the company was facing a major public-relations disaster as its sales dropped. To make matters worse, U.S. Transportation Secretary Ray LaHood advised Toyota owners to stop driving their vehicles until they could be repaired.

Although he later retracted the statement, some media commentators believed that it might have been motivated by a desire to assist struggling U.S. auto firms such as General Motors and Chrysler—Toyota's rivals in the North American auto market. These firms had suffered serious financial losses resulting from the economic recession of late 2008 and had been bailed out by millions of dollars of federal funding in order to keep operating.

6. How will the recall impact Toyota?

In early 2009 Toyota surpassed General Motors as the world's largest manufacturer of automobiles. But as a result of the massive recall some analysts speculated that the company would face a major challenge to recoup its former reputation as a maker of top-quality and economically attractive vehicles.

As early as October 2009, Toyota president Akio Toyoda had predicted that the company was on the verge of “capitulation to irrelevance or death” because of declining sales and profits resulting from the spreading recession.

Toyota’s assets—accumulated over many years of high sales and rising profits—were believed to be sufficient to

ride out the storm, enabling the company to finance the total costs of the recall and subsequent litigation, which could amount to many billions of dollars. However, whether potential auto buyers would continue to consider Toyota when it was time to buy a new vehicle remained very much in doubt.

Activities

1. Based on the information in this section, develop a timeline of the main events of the Toyota recall and explain the significance of each.
-  2. Clearly, major events like the Toyota recall do not happen out of thin air. That is, they happen for a number of reasons, and they have a number of consequences. Review the notes you made on the causes and consequences of the Toyota recall and complete one of the Cause and Consequence worksheets that can be found at <http://newsinreview.cbclearning.ca>.
3. Form groups to discuss what you think will be the impact of the recall on Toyota’s future as an automobile manufacturing company. Indicate whether or not you think Toyota will be able to overcome its difficulties and recapture its previously dominant position in the industry. Give reasons to justify your viewpoints.

TOYOTA RECALLS MILLIONS OF VEHICLES

Toyota's Response

Quote

"I, more than anyone, wish for Toyota's cars to be safe, and for our customers to feel safe when they use our vehicles." — Akio Toyoda, president of Toyota (BBC News, February 25, 2010)

In an unprecedented appearance before a U.S. Congressional Committee hearing on February 24, 2010, Akio Toyoda, the grandson of the founder of Toyota, expressed his regret for not acting sooner to deal with the problems that had led to the global recall of millions of the vehicles his company manufactures. He stated that he was deeply sorry for any loss of life or injuries caused by improperly installed floor mats or the phenomenon that came to be known as "unintended acceleration" traced to malfunctioning accelerator pedals in some Toyota models.

However, at the same time he rejected allegations that the root cause of the problem may have been a serious failure in the design of the electronic systems that control the accelerator's operations. In taking personal responsibility for the events leading up to the recall, and also for the company's delay in responding to problems arising from mechanical defects earlier, Toyoda sought to assure lawmakers and the broader public that he would try to regain consumer confidence in his company's products.

Pressure to Compete

An addition, Toyoda also admitted that his firm's desire to rise to the number-one position in the industry—by supplanting rivals such as General Motors and Volkswagen—may have played a role in the difficulties that led to the recall. He conceded that Toyota's priorities—which traditionally had been quality design and production and state-of-the-art technology—may have become confused as it sought to expand its output, sales, and profits on an increasingly global scale, especially in the midst of a serious economic

recession that was impacting all the world's major auto companies and intensifying competition among them.

In his testimony before the House Energy and Commerce Committee, which lasted well over three hours, Toyoda faced occasionally hostile questions from skeptical members of Congress who doubted his claims that he was doing all he could to rectify the problems with his vehicles. They also accused him of knowing about the design problems well before they were first made public in November 2009 and not taking seriously enough the possibility that the problem with Toyota accelerator pedals may lie with the electronic systems themselves.

As part of his apology, Toyoda took pains to express his personal regrets to the family of Mark Saylor, the California highway patrol officer who was killed along with his wife, daughter, and brother-in-law when their rented Lexus sped out of control near San Diego before plunging into a river bank and bursting into flames. It was this incident, occurring in late August 2009, that had first riveted public and media attention to the problem of floor mats in some Toyota and Lexus models.

Unanswered Questions

Toyoda was the most high-profile executive from the company to apologize before the Congressional Committee, but he was not the only one. James Lentz, the CEO of Toyota's operations in the United States, also testified. Lentz cried when he recalled his own brother's death in a car crash, and sought to reassure the families of victims of "unintended acceleration" that he felt their pain and could empathize with them.

But when he was relentlessly interrogated by a Michigan congressman who was well-versed in the technical aspects of automobile design, he was unable to respond. This seemed almost unbelievable to members of the committee. Lentz's unimpressive appearance before the committee strengthened the impression among many that Toyota was having real difficulties dealing with the public-relations aspects of the problems the company faced.

The Art of the Apology

Akio Toyoda is a retiring, publicity-shy person who rarely makes public appearances on behalf of the company he directs. Prior to his reluctant testimony before the U.S. Congressional Committee, he had been interviewed on Japanese television. During this interview he bowed slightly before the cameras in a gesture of apology. His

stiff body language was interpreted by some to mean that he was extremely uncomfortable in the public eye, and furthermore, that he might doubt that his beloved company was really guilty of the serious allegations that were being levelled at it.

As the CEO of a major Japanese company who inherited great responsibilities in running the family firm, Toyoda comes from a culture where preserving one's dignity or "face" is extremely important. Unlike some North American business leaders—like financier Donald Trump—who revel in publicity and constant media exposure, individuals such as Toyoda do not enjoy having to answer to government bodies for the conduct of their businesses. In Japan, the physical gesture made by Toyoda was replayed on national television and analyzed for its adequacy as an expression of his sorrow.

Analysis

1. Do you think that Akio Toyoda's appearance before a U.S. Congressional Committee and the apology he issued there will be enough to reassure the public that his company is taking the problems with its automobiles seriously?
2. Why would Toyoda reject allegations that the real problem behind "unintended acceleration" was a serious design flaw with the electronic components of the accelerator system?
3. What competitive pressures might have led Toyota to "confuse its priorities" and depart from its traditional emphasis on high-quality design and production of its cars?
4. Based on what you read in this section, what are some cultural differences between Japanese and North American CEOs?

TOYOTA RECALLS MILLIONS OF VEHICLES

The Situation in Canada

The massive recall of Toyota vehicles has had a significant impact here in Canada. At this point, no one knows for sure what the long-term impact will be, but no one doubts it will be considerable. Canada happens to be one of Toyota's most significant markets.

Impact on Toyota Dealerships

After Toyota announced the recall of 275 000 vehicles to deal with the problem of sticking accelerator pedals, dealerships across Canada were flooded with phone calls from anxious, and in some cases, irate, owners. On January 29, 2009, Toyota Canada spokesperson Brian Lyons announced that the new systems needed to repair faulty accelerator pedals were being shipped to Toyota factories across the country. But many dealers believed that the company should have shipped the parts to them first, since they were facing serious customer complaints and demands for immediate action.

Once the parts did arrive, many Toyota dealerships found it necessary to extend their hours of operation and hire extra staff to cope with the onslaught of owners demanding immediate repairs on their vehicles. At the same time, they were cautioning customers not to try to inspect or repair the accelerator pedals on their cars themselves. Some dealerships chose to issue "loaners" to Toyota owners until they could get individual cars fixed.

Impact on Toyota Factories

When Toyota announced at the end of January 2010 that it was halting for one week production and sales of eight models believed to have malfunctioning accelerator pedals, the impact on the

company's manufacturing plants in Canada was felt immediately. One of the facilities affected was the Cambridge, Ontario, plant, which produces Corolla, Matrix, and Lexus RX 350 models—all vehicles subject to the recall. The nearby Woodstock factory, where the RAV4 SUV was made, also had to close its doors for at least a week. Together, these two plants employ almost 6 000 auto workers. But a Streetsville, Ontario, factory that produces the new accelerator pedals to be installed in faulty Toyotas was experiencing a boom in its business.

According to Phil Edmonston, an expert on used cars and author of the best-selling *Lemon-Aid* car guide series, Toyota's decision to recall so many vehicles and suspend production and sales was "unprecedented." In his view, Toyota executives "had to take a bold move in order to restore confidence. This is exceptional. It's very rarely been done, and is a serious problem for their image" (CBC News, www.cbc.ca/consumer/story/2010/01/27/consumer-toyota-recall.html). In the same article he said that he doubted the production halt would be over in one week. "This is not a simple problem," he said, and speculated that the investigation into the causes of the malfunctioning accelerator pedals could take several weeks or even months.

Edmonston also predicted that dissatisfied Toyota owners would "rush to the service bay" of their local dealership in large numbers to seek immediate repairs on their faulty vehicles, followed by a rush to the lawyer's office. In the same article, he said: "I suspect the next wave is going to be compensation. This is going to be a liability lawyer's dream because Toyota has admitted that the problem exists, and

it started six years ago, with the U.S. government investigating. We'll see a number of class-action suits."

Response from the Canadian Government

Senior Toyota officials appeared before the Transport Committee on Parliament Hill on March 16 to answer MPs' questions about how they were dealing with the recall of their vehicles. They also had the opportunity to defend their handling of the issue. "Nothing is more important to Toyota than the safety and reliability of its vehicles," claimed Yoshi Inabi, president of Toyota's North American operations, who headed a four-person team of top-level company CEOs at the hearings (*Toronto Star*, March 16, 2010). He boasted of the company's long involvement in automobile manufacturing in Canada and how its efforts had created jobs and aided economic growth. He also noted that Toyota plants employ 7 000 people across the country and produce 420 000 vehicles annually.

But like their counterparts who appeared before a Congressional Committee in the United States, the Toyota executives were subjected to harsh questioning from MPs who accused them of failing to address problems with their vehicles when they

were first made aware of them and of not communicating with Toyota owners and dealers quickly enough. In addition, the MPs wondered why Toyota took the problem to its engineering division in Japan instead of informing Transport Canada, the federal body responsible for overseeing automobile safety.

For his part, Liberal Marc Garneau, a former astronaut and engineer, was surprised that a series of complaints by Toyota owners about problems with their vehicles' acceleration systems dating as far back as 2004 had not been promptly investigated. And the NDP's Brian Masse demanded that Toyota president Akio Toyoda personally come to Canada and apologize to owners here, as he had done in the United States.

Following the hearings, John Baird, the federal transport minister, announced that he was considering laying criminal charges against Toyota as a result of its failure to deal quickly enough with the problems with its vehicles. He also promised to release over 3 000 pages of detailed Transport Canada documents relating to problems with Toyota vehicles. Under the access to information and privacy law, Toyota could refuse to agree to the publication of the documents, but Baird doubted the company would do this, since it would result in a public relations disaster.

Follow-up

1. If you were the owner of a Toyota vehicle affected by the recall, would you consider participating in a class-action lawsuit against the company? Why or why not?
2. Do you agree with Brian Masse that Toyota CEO Akio Toyoda should have come to Canada to apologize to Toyota owners in this country as he did in the United States? Why or why not?
3. Do you think that the fact that Toyota has created jobs and contributed to Canada's economy should affect consumers' opinion of the company in light of the recall?

TOYOTA RECALLS MILLIONS OF VEHICLES

Lessons of the Recall

For years, Toyota has provided a powerful example of what economists refer to as “lean production” to its rivals in the automobile industry. This means that the company organizes its production schedule around last-minute, just-in-time delivery of the necessary components for its automobiles from its suppliers in order to avoid the costs and delays involved in maintaining large stocks of inventory on hand at all times.

In addition, Toyota’s production methods departed from the standard assembly-line format that Henry Ford first pioneered in the early days of the industry to manufacture his famous Model-Ts. Instead of a single worker performing one repetitive task along a conveyer belt—such as installing a windshield—Toyota’s employees work in production teams to assemble every component of a car from beginning to end. This method of production, which involves the whole team in every aspect of the vehicle’s manufacture, ensures that the product turned out at the end of the process will be well-made and most likely free of defects.

On the basis of this industrial philosophy, Toyota had built a solid reputation world-wide for the quality of its products, and by early 2009 had emerged as the world’s largest automobile manufacturer.

However, according to James Womack, the author of *The Machine that Changed the World*, a book about Toyota’s innovative production methods, all this began to change for the worse around 2002. It was then that Toyota’s CEOs decided to raise the company’s global market share from an already respectable 11 per cent to 15 per cent. In order to fulfill this ambitious target,

Toyota had to enter into dealings with a new set of suppliers who did not understand the company’s traditional methods of production.

One early sign of problems to come was the rise in the number of reported defects in some Toyota models. These reports can be dated back to 2004 in Canada. This caused Katsuaki Watanabe, the predecessor of Toyota president Akio Toyoda, to call for a renewed emphasis on quality control. But at the same time as Watanabe’s warnings, the company had already set for itself another lofty objective—overtaking General Motors as the world’s biggest car company.

One of Toyota’s greatest manufacturing innovations was to name certain suppliers as the sole source of particular systems and components. This led to close co-operation between the firm and its main tier-one suppliers for the mutual benefit of each party. Such a relationship is not common with North American car companies that tend to award short contracts to the lowest bidder and replace their suppliers more frequently.

But the intimate links between Toyota and its main suppliers made possible the just-in-time method of delivering components to the assembly plant and enhanced both the quality and the affordability of Toyota’s vehicles in contrast to their rivals’. This production technique had its risks, but seemed to operate very effectively—at least, it seems, until the problems with “unintended acceleration” began to surface in late 2009.

One negative consequence of Toyota’s efforts to expand its market share and eclipse its competition, especially GM, was its increasing dependence on new

suppliers outside Japan with whom it did not have a long-term business relationship. At the same time, the company did not have enough senior engineers who were responsible for monitoring the quality of the products the new suppliers were shipping to the company. However, this did not deter Toyota from maintaining its sole-sourcing approach and even gaining greater savings by using one supplier for components of a number of models in a wide range of markets worldwide.

Although Toyota's single-supplier approach helped make the company one of the largest and most reputable automobile firms in the world, it became increasingly risky when coupled with the firm's drive to the top and its traditionally centralized decision-making process based at head office in Japan. According to a senior tier-one supplier interviewed by Womack, who asked to remain anonymous, "there's a trade-off" involved in this method of production.

"If you don't want duplication of supply you have to have very close monitoring, you have to listen to your supply base, and you have to have transparency. That means delegating to the local managers. With Toyota, it works well at the shop-floor level, but things break down higher up" (*The Economist*, February 25, 2010).

Toyota's problems may lead to a rethinking of the single-supplier strategy that had served the company so well in the past but had since led to serious difficulties. For James Womack, who has studied the factors leading to Toyota's rise and even more dramatic fall, the company that once served as a "peerless exemplar" to its competitors may now symbolize an "awful warning" of how boundless ambition can result in a day of serious reckoning.

Source: "The machine that ran too hot," *The Economist*, February 25, 2010, www.economist.com/business-finance/PrinterFriendly.cfm?story_id=15581072

Analysis

1. How did Toyota's new production methods help to cement its reputation for producing high-quality vehicles and increase its global market share?
2. How did the company's decision to overtake GM as the world's largest car maker impact negatively on its production system?
3. What lessons does James Womack believe other automobile companies can learn from Toyota's difficulties?

TOYOTA RECALLS MILLIONS OF VEHICLES

Activity: Responsibility and Restitution

Further Research

It may be helpful to visit the Web site of Toyota Canada at www.toyota.ca.

A massive recall of any manufactured product represents a major problem for both the company responsible for making it and the consumers who have purchased it. When the product is something as expensive and important as an automobile, where manufacturing defects can have deadly consequences, these problems are magnified by many degrees. The world-wide recall of millions of Toyotas in late 2009 and early 2010 is one of the most significant and serious examples of this in recent years.

A number of important questions arise from the Toyota situation. These include:

1. Who should be responsible for rectifying a problem with faulty products: the company itself, government regulators, consumers who should investigate various brands before purchasing a product—or all of them?
2. At what point should companies have to notify the public of a problem? As soon as a problem is discovered, even if it minor? Or when a problem is discovered that poses a safety concern?
3. How can appropriate restitution for consumers be determined in a situation like the recall of cars? How do you compensate people for inconvenience? Or should you? Is there any compensation that could be considered appropriate in cases involving loss of life or serious injury resulting from “unintended acceleration” of a faulty Toyota?

Form groups to explore the preceding questions. Use the material provided in this *News in Review* guide, along with the video and/or any other information you can access in your classroom. For example, you may wish to consult the *Consumer Reports* document “Unintended Acceleration Guide” at www.consumerreports.org/cro/cars/new/-cars/resource-center/sua-unintended-acceleration-recall/index.htm. Be prepared to share your responses with the class. Did the different groups come up with similar responses, or not? Add into your own notes any new information you had not considered.

Alternatively, the class could organize itself into a “class-action suit” role-play, with one group representing Toyota owners seeking compensation, another group representing their lawyers, and the third group representing Toyota officials.