

DOCUMENT RESUME

ED 238 813

SO 015 375

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**TITLE** Product Safety: The Stonewall Hearings. Instructor's Guide [and] Student Materials. Business Issues in the Classroom. Revised.

**INSTITUTION** Constitutional Rights Foundation, Los Angeles, Calif.

**PUB DATE** 83

**NOTE** 38p.; For related documents, see SO 015 366-381.

**AVAILABLE FROM** Constitutional Rights Foundation, 1510 Cotner Ave., Los Angeles, CA 90025 (\$4.95).

**PUB TYPE** Guides - Classroom Use - Materials (For Learner) (051) -- Guides - Classroom Use - Guides (For Teachers) (052)

**EDRS PRICE** MF01 Plus Postage. PC Not Available from EDRS.

**DESCRIPTORS** Accountability; \*Business Responsibility; \*Consumer Education; \*Consumer Protection; Economics Education; Government Role; Instructional Materials; Learning Activities; Merchandise Information; Public Agencies; Secondary Education; Simulation; Units of Study

**IDENTIFIERS** \*Business and Society; \*Product Safety; Regulatory Agencies

**ABSTRACT**

One of a series of units on business designed for secondary school students, this packet examines the issues concerning business responsibility for safe products. Teacher and student materials are provided in separate sections. The teacher's guide presents an overview of activities and objectives, five detailed lesson plans, answer keys, background information, handouts for student activities, and recommendations for using a business person as a classroom resource. The student component contains material for five student activities. Students are introduced to the issue of product safety through two readings which outline various business, government, and private agency responses to product safety problems. This is followed by a simulation of a congressional subcommittee hearing on tire recall. By taking the roles of business people, government agencies, and consumer interest groups involved in the case, students have an opportunity to weigh product safety information and determine a course of action for dealing with consumer complaints and injuries. The simulation is prefaced by an information packet which explains terminology and provides background information. A vocabulary worksheet helps students review new ideas and terms presented in the unit. (LP)

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## PRODUCT SAFETY: THE STONEWALL HEARINGS

Instructor's Guide

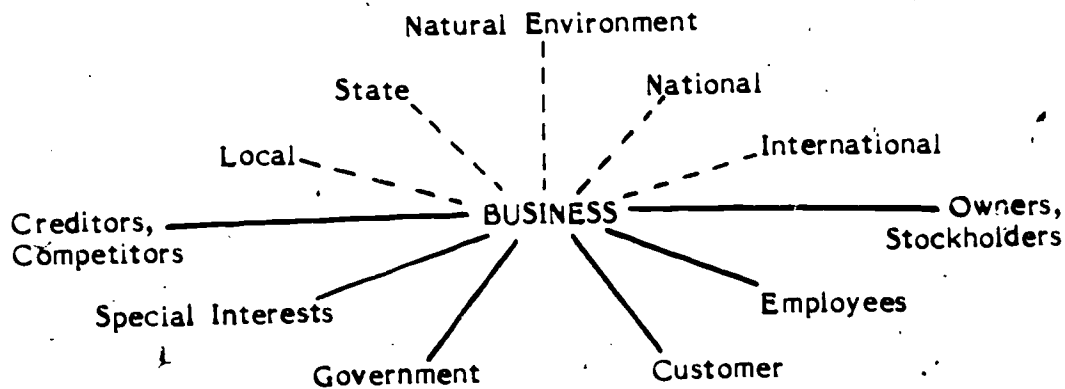
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Los Angeles, California  
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## PRODUCT SAFETY: THE STONEWALL HEARINGS

### OVERVIEW

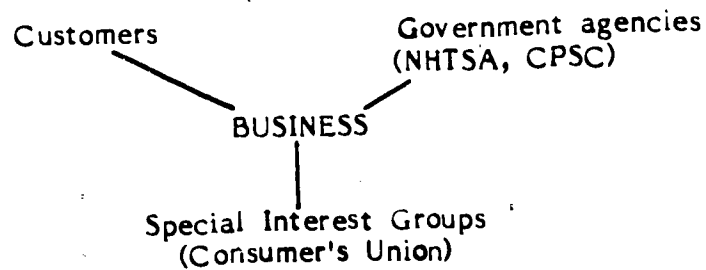
Business Issues in the Classroom (BIC) introduces students to exciting, difficult, and complex decisions that face the business community today. Case studies and activities help students understand the setting in which American companies must function. This business environment includes many groups with conflicting interests: stockholders, consumers, employees, special interest groups, business competitors and creditors, and government. These groups affect business and, in turn, are affected by business decisions. Each BIC lesson plan focuses on a specific issue which highlights a particular relationship in the business decision-making environment.



### THE BUSINESS DECISION-MAKING ENVIRONMENT

This unit introduces students to issues concerning business responsibility for safe products. The learning activities illustrate several different business responses to product safety problems: (1) a defensive reaction in which a company fights an investigation; (2) an effort to gather more information and conduct tests before taking any action; (3) compliance with government ordered actions; and (4) voluntary action -- a recall, a halt in production, or public education about the defective product.

The roles of business, government agencies, and consumer interest groups are highlighted in the fictional Stonewall Tire Company case. Students participate in a simulation of a Congressional sub-committee hearing in which a tire recall is being considered. They have an opportunity to weigh the evidence and decide what should be done about consumer complaints and injuries in which this particular tire was involved.



### PRODUCT SAFETY AND BUSINESS

Activities include a reading on product safety describing positive actions taken by business, government, consumers, and special interests. The Stonewall case is prefaced by an information packet which explains words used in the simulation: radial tire construction, tire adjustment rates, personal injury suits, and the function of the National Highway Traffic Safety Administration. A Vocabulary Worksheet helps students review the new terms used in this unit. The simulation roles are included in the Instructor's Guide.

### OBJECTIVES

Students will be able to:

1. describe actions that government, business, and consumers can take to improve product safety.
2. give examples of the ways in which business has responded when confronted with product safety problems.
3. state their opinions and provide a rationale for their decision in a product safety case.

## TIME FRAME

5 class periods

## CLASSROOM APPLICATIONS

Day 1 Reading and Writing Assignment: Have students read the introduction and the reading, "What Is Being Done About Product Safety?," p. 1-8. In class or for homework, have them complete the answers to the reading review questions, p. 9.

Day 2 Discussion: Discuss the review questions and any vocabulary that you think students will find difficult. On the chalkboard, list the choices that business has when confronted with a product safety problem:

1. Defensive -- fight any recalls or investigations
2. Information-gathering -- conduct more tests and gather data before making a decision
3. Doing only what is required -- compliance with government requirements.
4. Taking the lead -- voluntary recall, public information campaign, halt in production

Bring in current examples of product safety cases that are in the news. You might use some of the information provided in the Background Information section on p. 8-9 of this Guide in the discussion. Emphasize that a business may take all four actions at various stages as the problem develops.

Day 3 Preparation for simulation: Refer students to the introduction to the Stonewell case, p. 10. Then turn to the diagram for setting up the room for the hearing, p. 15, and assign student roles:

Witnesses

1. Muriel Jefferson, Stonewall Tire Consumer
2. Charlotte Adams, Professor and Engineer
3. Joe Coolidge, Stonewall Engineer
4. Sanford J. Fernandez, Highway Patrolman
5. Henry Earle, Tire Dealer
6. Elmer M. Sweeny, Tire Dealer
7. Janet D. Zumwalt, NHTSA
8. Jane McCarthy, Stonewall Lawyer
9. Eleanor M. Calvin, Center for Auto Safety
10. Frederick G. Arlington, Stonewall Vice President

Sub-Committee Members

Assign an uneven number of committee members so they can take a majority vote. Assign a chairperson of the committee.

ClerkJournalist/Observers

(if class-size permits)

Read together the information on p. 11-14 which explains some of the terms used in the hearing. The Vocabulary Review Sheet will help you assess student understanding of these terms, p. 20 of the Student Materials.

Give students their roles to prepare for tomorrow's simulation. These are found on p. 10-17 in the Instructor's Guide. Tell the witnesses to read them over carefully so they can give their testimony clearly and convincingly.

**Day 4** Simulation:

1. Have the Clerk set up the room. Be sure each student has the Decision-Making Guide on his/her desk. Journalist/Observers should be prepared to take notes on the hearing.

2. The chairperson of the Committee calls the meeting to order and asks the first witness to testify.
3. After all witnesses have testified, the members of the Committee discuss their recommendation for action: Should the Roadhugger tire be recalled? Witnesses and Journalist Observers should be silent while the Committee members debate their decision.

Day 5. Debriefing: Use the discussion questions on p. 17 to debrief the simulation. An effective way to review the previous day's hearing is to read a few of the journalist/observers' reports. Have the Chairperson of the sub-committee present the committee's decision and its rationale for taking that action.

Use the chalkboard to draw a Decision chart (p. 16 of the Student Materials) and examine the evidence presented in favor and in opposition to the recall of the Roadhugger tire. A completed Decision-Making Guide might show the following facts and arguments:

#### Evidence for a Recall

- \* Defects in design
- \* Consumers report bad performance
- \* Tire dealer reports 70 of 100 Roadhuggers are returned
- \* Accidents have occurred in cars with Stonewall tires
- \* Adjustment rate is 18% for the Roadhugger -- only 2 to 4% for other radials
- \* Experts say tire is defective

#### Evidence Against a Recall

- \* Too expensive to recall
- \* Consumers do not properly care for the tire
- \* Only one tire dealer and one consumer complained
- \* Experts say blow-out was consumer's fault
- \* All tires have problems -- a fair adjustment policy takes care of them
- \* Consumer survey was not accurate -- too few responded

Introduce the Firestone 500 case on which this simulation was based. Discuss the company's response in terms of the four options business has when confronted with a product safety problem. (See Day 2).

Follow-up activities: If time permits, you may wish to have students do further research in the area of product safety. Examples of topics they could investigate are:

Product safety laws such as the 1970 Poison Prevention Packaging Act  
Consumer Publications such as Consumer Reports, Consumer Bulletin  
The Consumer Product Safety Commission, U. S. Food and Drug  
Administration, NHSTA, and other government regulatory agencies. (See  
p. 5 of student materials)

Business and product safety - Fortune, Wall Street Journal, Business Week,  
Time and other publications will give current information on business  
and product safety

#### USING A RESOURCE PERSON IN THE CLASSROOM

The Business Issues in the Classroom program (BIC) has a talented group of business professionals who are prepared to teach one day of this unit. At least two weeks in advance, call the Constitutional Rights Foundation at (213) 473-5091 and ask the BIC placement coordinator to arrange for a classroom visit. The business resource person could participate in the following ways:

Day 2: discuss current product safety cases

Day 5: debrief the simulation and introduce the actual Firestone case



Answers to Reading Review, p. 9

1. Corning Glass wanted to keep consumer confidence in its quality products and prevent further injury. It gained good publicity and people's respect for its voluntary efforts.
2. Consumers can read warning labels carefully and be aware of what household situations cause the most injuries. The owners of the swimming pool who built a fence around it were taking protective action.
3. The Consumer's Union is a special interest group concerned with product safety and quality. It publishes Consumer Reports, a magazine that compares products in terms of price, performance, and safety.
4. The Consumer Product Safety Commission is a government regulatory agency which establishes standards for safety and enforces product safety laws. It has the power to conduct investigations, require recalls, and assess fines.
5. The Parker Company has the following choices: (1) do nothing; (2) put a warning on the label about the hazards of misuse; (3) modify the product; or (4) recall. They chose recall to prevent further injury and product misuse.
6. The two separate departments have different responsibilities that may compete with each other. When divided there is no longer this competition between production and safety. Each manager would be rewarded on a different basis, thus allowing all necessary information to be directed to top management.

Answers to Vocabulary Worksheet, p. 18

1. auto and highway safety problems
2. public hearing
3. personal injury
4. explodes as air bursts through its rubber wall
5. adjustment rate
6. they use less gas, last longer, give a smoother ride, and hug the road better than bias ply tires (Any one of these advantages is correct)
7. conduct investigations, require recalls, levy fines
8. 10 million dollars

Four actions:

- (1) defensive, fight
- (2) gather more information before making a decision
- (3) comply with government/legal requirements
- (4) take the lead, voluntary recall, public education, buy back programs.

## BACKGROUND INFORMATION

The Stonewall Case is based on the hearing of a sub-committee<sup>a</sup> of the U. S. House of Representatives Committee on Interstate and Foreign Commerce. Hearings on the safety of Firestone 500 Steel Belted Radial Tires were held in August 1978. The sub-committee recommended a recall. The resolution of the case was an agreement between Firestone and the National Highway Traffic Safety Administration (NHTSA). Firestone agreed to provide free replacements of certain tires manufactured between 1975 and 1977. The NHTSA agreed to conclude its investigation.

In a recent study, two scholars examined corporate reactions to problems with their products.\* They contrasted the reactions of Firestone and Ford with that of Procter and Gamble when evidence of toxic shock syndrome was linked to their product, Rely tampons. Gatewood and Carroll describe the defense of Ford's Pinto and Firestones' as "fighting all the way." In marked contrast, Procter and Gamble's positive approach helped offset negative consumer attitudes about Rely with admiration for Procter and Gamble's actions. It took the company 20 years to research, design, and market Rely. Within 3 months of the toxic shock syndrome study, Rely was pulled off the market. Procter and Gamble's response included three of the actions we have described in this unit on product safety:

1. Defensive: news releases  
 refuted/questioned Center for Disease Control Study  
 set up military-type command post to deal with negative  
 publicity

\*Elizabeth Gatewood and Archie B. Carroll, "The Anatomy of Corporate Social Responses: The Rely, Firestone 500, and Pinto Cases," Business Horizons, September/October 1981, p. 9-15.

2. Information-gathering:
  - collected information from state health boards
  - conducted laboratory testing
  - assembled a group of outside scientific observers
3. Taking the lead
  - Voluntary halt in production
  - proposed warning label
  - pulling products from store shelves
  - offered to buy back products
  - pledged further research
  - agreed to finance an education program

**MURIEL JEFFERSON, Stonewall Tire Consumer**

My name is Muriel Jefferson. I'm here to tell about a nearly fatal accident I had on January 5. That accident almost killed my three young children, Mrs. Debbie White, her two children, and myself. It was caused by a blow-out of a Stonewall steel belted radial Roadhugger tire on the left rear wheel of my car.

The tire exploded while we were driving on Highway 5 from San Diego to Los Angeles in my Luxury Satellite station wagon. Before starting the drive, I routinely had the tire inflation checked. The tire pressure was exactly right -- 24 pounds per square inch in front and 32 pounds in the rear tires.

The service station attendant told me that the left rear tire had a blister on it. He replaced the blistered tire with the spare. I hardly gave the incident a second thought. Later, I felt a shimmy in the steering, and Mrs. White thought the tires had caused it. I said I knew the tires were all right because I'd had them checked. Besides, I didn't think tires blew but anymore. I thought they only leaked air slowly.

Driving at 55 mph, the speed where the steering was most steady, I felt the left rear tire blow out. The force of it whipped the car across the highway. We skidded out of control. It horrified me to see us veer closer to the ditch and to hear the children scream and fall from their seats. Gradually, I slowed the car and regained control, pulling off to the side of the road. We were stunned and felt very lucky to be alive. If we had hit the concrete barrier or a dirt shoulder, the car would have flipped. It could have been a real tragedy. It could have killed all of us. That tire isn't safe.

---

**CHARLOTTE ADAMS, Professor and Engineer**

My name is Charlotte Adams. I work as an independent consultant in rubber technology. I also teach industrial engineering at San Diego State University. I examined the Stonewall Roadhugger steel belted radial tire that failed while Mrs. Muriel Jefferson was driving her station wagon north on Highway 5. I found no sign of damage on the tire that could have been caused by an impact. In my opinion, poor binding construction between the steel belt cords and the inner rubber lining allowed air to escape. The air formed a bubble which moved from the inner to the outer rubber layers of the tire. The inner structure of the tire collapsed when this air escaped. The tire blew out with an explosive force when the outer sidewall couldn't tolerate the pressure between the walls. The explosion tore a U-shaped hole in the outer rubber wall.

It appears that a manufacturing defect allowed this to happen. I feel that the tire's failure caused the station wagon to veer out of control. In my professional opinion, all Stonewall Roadhuggers now in use should be inspected. This particular tire was defective, and it is possible that many other Roadhugger tires are defective also. The public should be protected by an official investigation of Roadhugger tires.

**JOE COOLIDGE, Stonewall Company Engineer**

My name is Joe Coolidge. I am the senior product engineer for Stonewall Tire and Rubber Company. I'm appearing today to tell the sub-committee my professional conclusions as to what caused the tire failure described by Mrs. Muriel Jefferson. She charged that a Stonewall Roadhugger steel belted radial tire on her car exploded.

In my professional opinion, a severe impact on the tire caused it to fail. The impact caused two small slits to be torn in the inner rubber wall. These tears allowed air to escape from inside the tire. The escaped air pushed the inner walls apart, and collected in a bubble under the tire's outer sidewall rubber.

After a period of time, the bubble broke when the outer rubber couldn't hold the pressure anymore. It caused a U-shaped tear in the outer rubber. Within a couple of minutes, all the air in the tire escaped. This caused a "flat tire." There was no sudden blow-out or explosion. Also, there was no "run flat" damage which would have been caused by a flat tire being driven over the roadway. No evidence was found of skid marks on the tire surface either, even though Mrs. Jefferson says her car skidded.

We conclude that there were neither defects in workmanship nor materials contributing to this tire's failure. There is no need for a recall of this tire. Mrs. Jefferson must have hit something or some object must have collided with her tire, tearing the two slits into it.

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**SANFORD J. FERNANDEZ, Highway Patrolman**

My name is Sanford J. Fernandez. I am a state trooper with the Bucks County Highway Patrol stationed in Lumberville, Pennsylvania. I've come to give evidence to the sub-committee about a traffic accident that happened June 24th, killing Mr. John Schultz and Mr. Glen Walker. I was awakened by a call at 12:45 the morning of the 24th. I arrived at the scene of the accident 50 minutes later.

John Schultz had been driving alone in his Ford Mustang east on Highway 7 near Lumberville. His car was equipped with four steel belted radial Roadhugger tires made by Stonewall. At about 12:30 a.m., the tread on Mr. Schultz's right rear tire had split off. The tread wrapped itself around the rear axle, jerking the Ford violently across the highway. It swerved in front of oncoming traffic, and was broadsided by a Cadillac driven by Mr. Glen Walker.

The crash just about cut the Mustang in half. Both drivers suffered fatal injuries and were pronounced dead at the scene. We could find no evidence that the drivers had been under the influence of alcohol or drugs. According to the Highway Patrol test, all the tires on Mr. Schulz's car had about 80% tread left on them. They seemed fairly new. Each tire was inflated to the officially recommended p.s.i. level for Ford Mustangs. I think Mr. Schultz had a defective tire. From our tests, it seemed that the tread separation in this Stonewall tire is the only thing that could have caused this accident.

**HENRY EARLE, Tire Dealer**

My name is Henry Earle. I have been in the tire business for 20 years. For the last 15 years, I have carried Stonewall's tires.

Their steel belted radial, the Roadhugger, is just as good as any of its competitors. The tire has a lower adjustment rate than the other radials. For example, if you bought a Stonewall Roadhugger that's supposed to be good for 40,000 miles and the tire blew out at 10,000 miles, you would have lost out on 30,000 miles of life in the tire. If you bring the damaged tire to me, Stonewall will let me give you a discount on another Roadhugger radial. The discount will cover the 30,000 you didn't get out of your first tire. You get credit on your new tire based on how much wear you got out of your old tire.

Stonewall has provided excellent customer service. The company didn't necessarily market a bad tire. Every tire company will produce a weak tire once in awhile. That's why they have adjustment rates. Simply nobody produces perfect tires. I still think Stonewall's Roadhugger is one of the best radials on the road. I have them on my car. I will continue to sell Stonewall products in my shop. I'm against any plan to recall the Stonewall Roadhugger. A fair adjustment rate should make up for any complaints.

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**ELMER M. SWEENEY, Tire Dealer**

My name is Elmer M. Sweeney. I do business as Sweeney Tire Service. I have carried Stonewall products in my shop for 27 years.

About five years ago, the tire companies began to produce mostly radials. Stonewall promoted its radials heavily, both to the public and to dealers. They arranged for the Stonewall Roadhugger tires to be installed on new cars.

I noticed very soon that out of every 100 Stonewall Roadhuggers I sold, about 70 were returned to me. These tires were supposed to last for 40,000 miles. But they were returned before they had traveled 10,000 miles. Not even half the tread had been worn away. Stonewall tried to avert a public relations crisis by offering customers a "30 percent rollback deal." They gave a discount on the cost of these unpopular tires. But it didn't work. Customers kept returning their Stonewall Roadhuggers.

Price reductions have not made this tire any safer. People were not only angry at the time and money lost, but afraid of accidents. In my opinion, Stonewall's steel belted Roadhugger is a dangerous tire. The company never should have marketed it. I no longer carry any of Stonewall's radials. Their new Roadhugger tire is unfamiliar to me, but I won't touch it. When you've been burned twice, you don't go back for a third time. I've lost faith in the company and I favor immediate recall of the Roadhugger tire.

JANET D. ZUMWALT, National Highway Traffic Safety Administration

The NHTSA was created to protect the public safety on our highways. We have received many consumer complaints about the safety of Stonewall's Roadhugger tire. Successful tests of the Roadhugger were conducted when it was properly inflated, but not in typical driving situations. None of us constantly monitors the inflation level of our tires. Consumers, since they didn't know of the special inflation requirements for Roadhuggers, have experienced an excessive number of failures and blow-outs. Stonewall failed to inform the consumers. Stonewall made a tire that is difficult to use safely.

At the urging of the Center for Auto Safety, the NHTSA sent inquiry cards to 87,000 people who owned new cars equipped with radial tires. Only 2,226 Stonewall tire owners responded, but out of those, 46% complained of tire defects. The 2,000 owners of other brand name tires who responded to us sent in fewer complaints: Omega Tires had 33% defective tires, Universal Tires 25%, and Pierre Tires only 2%. Stonewall really seemed to have a tire problem here with 46% of the owners reporting tire defects.

The Roadhugger adjustment rate is 8%, compared to the average for other tires 2-4%. This means that many of these tires are being returned by consumers.

We know though that a recall order will only apply to tires sold within three years before the order is issued. The longer we delay the recall, the more tires will be too old to be recalled, thus leaving millions of drivers using older, more dangerous tires. The sub-committee, in our opinion, should recommend an immediate recall.

---

JANE MCCARTHY, Chief Counsel, Stonewall Tire and Rubber Co.

I'm Jane McCarthy. I'm Stonewall's lawyer for this disturbing case. Evidence is supposed to mean some outward sign of truth. It is gathered by direct experience. However, in this case I haven't seen any real evidence that the Stonewall Roadhugger radial tire is unsafe.

In the first place, it is foolish for the NHTSA to use a few consumer letters to decide about a tire's safety. The Roadhugger steel belted radial has passed all government tests and has traveled over 660 billion safe miles. The NHTSA's tests for highway safety, design, construction, and performance have shown the Roadhugger to be reliable and comparable to any other company's radial tire.

We should not punish innovation. The Roadhugger is a new idea. No tire is ever perfect right from the start. When there are problems, each tire company deals with them in different ways. Stonewall is especially generous in offering high discounts. This should not be interpreted to mean more failures than other radials. If a customer is convinced the tire caused an accident, that can be resolved in a court of law on a case-by-case basis. There is no need to take all of these tires off the market.

A recall is very expensive. It's a waste of time and money to recall a product that hasn't been proven faulty. Experts estimate it would cost Stonewall over \$100 million to recall the Roadhugger and replace it with another line. With Stonewall's generous adjustment policy, a recall is not necessary.

ELEANOR M. CALVIN, The Center for Auto Safety

My name is Eleanor M. Calvin. I'm the director of the Center for Auto Safety. We are an independent non-profit organization. We were founded by Ralph Nader and the Consumer's Union, and we handle consumer complaints about cars and other vehicles, as well as highway safety.

The Center has received more complaints about the Stonewall Roadhugger steel belted radial tire than any other radial tire made by any other company. Almost half the Roadhuggers have failed. We at the Center wrote to Stonewall's president. We urged the company to shift half its advertising budget of \$28 million toward more information about proper inflation of these tires. The public should be informed of the Roadhugger's safety problems if not properly inflated.

A government agency, the National Highway Traffic Safety Administration, did a survey on tire safety, and found Roadhugger consumers reported a high failure rate. Stonewall went to court to prevent the NHTSA from publishing the survey, because it condemned the Roadhugger. Last year, we at the Center published the survey anyway. I think the company has been trying to hide its tire safety problems from the public. Stonewall has behaved in an irresponsible way by refusing to warn people of this tire's safety problems.

Stonewall seems to be trying to stall the recall. The National Traffic and Motor Vehicle Safety Act of 1966 would forbid a recall if the tire has been available for longer than three years. Stonewall is delaying as long as possible, hoping to avoid a recall of the Roadhugger. Public safety demands a recall.

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FREDERICK G. ARLINGTON, Vice President, Stonewall Tire and Rubber Company

My name is Frederick G. Arlington. I am vice president of the Stonewall Tire and Rubber Company. I am very disturbed about the campaign to recall Stonewall's Roadhugger steel belted radial tire. This tire has taken motorists over 600 billion safe miles. We estimate that about 51 million radial Roadhuggers are used today.

Stonewall is proud of its reputation as a manufacturer of high quality tire and rubber products. Our company conducts research into the changing science of rubber technology. A faulty tire never leaves the drawing board. To our knowledge not one fatal accident has resulted from use of the radial Roadhugger tire. No one knows how many thousands of lives have been saved on the highways by the tire's improved stability, handling, traction, and resistance to road hazards.

The public just needs to learn how to use these tires properly. Stonewall continues to advertise heavily to educate consumers about proper inflation, for example. But some motorists do not take the responsibility to learn. We feel Stonewall has been unjustly accused. The government's actions have undermined public confidence in a perfectly sound product. The NHTSA has no proof that the Roadhugger tire is defective. I wish to restore the public's confidence in a tire that never deserved the abuse it has received.



**COMMITTEE MEMBER**

You will decide whether or not there should be a recall of the Roadhugger tire. Listen to the testimony of each witness, and place the arguments in the proper column of the Decision-Making Guide (p. 18). Examine the arguments and decide if the tires should be recalled, and be ready to explain why or why not. Choose the best way to settle this case from the four choices listed below the Decision-Making Guide.

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**CHAIRPERSON OF HOUSE SUB-COMMITTEE**

As Chairperson, you must call the meeting to order, call the witnesses, keep order, and lead the discussion among the committee members, following the testimony of the witnesses. Be sure all committee members have a copy of the Decision-Making Guide to use during the hearing.

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Order of Witnesses

1. Muriel Jefferson, Stonewall Tire Consumer
2. Charlotte Adams, Professor and Engineer
3. Joe Coolidge, Stonewall Company Engineer
4. Sanford J. Fernandez, Highway Patrolman
5. Henry Earle, Tire Dealer
6. Elmer M. Sweeny, Tire Dealer
7. Janet D. Zumwalt, National Highway Traffic Safety Administration
8. Jane McCarthy, Lawyer for Stonewall
9. Eleanor M. Calvin, Center for Auto Safety
10. Frederick G. Arlington, Vice President of Stonewall

After all have testified, ask each committee member if he or she favors the recall of the Roadhugger tire. Discuss the reasons. Vote on that action the committee recommends. Announce your decision and your reasons.

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CLERK

Your job is to make role cards for each witness and sub-committee member. Use a piece of plain paper. Fold it the long way, so that it will stand up on the desk. In large letters, print the following names:

Tire Consumer	Engineer	Stonewall Engineer
Highway Patrol	Tire Dealer	NHTSA
Stonewall Lawyer	Committee member (4)	Journalist (4)
Stonewall Vice President	Center for Auto Safety	

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On the day of the hearing, arrange the room as indicated in the Student Materials. There should be an area for witnesses, the journalist-observers, and the House sub-committee. A desk for the witnesses facing the committee should be provided. Place the role cards on the desk.

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JOURNALIST/OBSERVER

As a newspaper columnist, your specialty is business and government relations. You observe the Hearings of the House Sub-Committee, evaluate the proceeding, and prepare a column for your paper. In your newspaper story, you should include:

- \* Who was at the Hearing
- \* Why the Hearing was held
- \* What was decided by the Sub-Committee
- \* What now happens to the Stonewall Company, the consumers and the tire dealers

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- 

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As a newspaper columnist, your specialty is business and government relations. You observe the Hearings of the House Sub-Committee, evaluate the proceeding, and prepare a column for your paper. In your newspaper story, you should include:

- \* Who was at the Hearing
  - \* Why the Hearing was held
  - \* What was decided by the Sub-Committee
  - \* What now happens to the Stonewall Company, the consumers and the tire dealers
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**PRODUCT SAFETY: THE STONEWALL HEARING**

Student Materials

**Author: Phyllis F. Maxey  
Business Issues in the Classroom  
Constitutional Rights Foundation  
Los Angeles, California  
Revised, 1983**

### Product Safety: The Stonewall Hearing

We often hear stories of injuries, accidents, and deaths that are blamed on faulty products. Sometimes the injured person will sue the manufacturer of the product. Or if there are enough consumer complaints the Consumer Product Safety Commission will start an investigation.

Business also takes action. Manufacturers conduct many tests of their products, but sometimes, in spite of their efforts to produce a safe product, they run into problems. They may start getting letters from consumers about a defect, or they may hear about injuries associated with their product, frequently from misuse. Manufacturers then have a choice of actions. A company might decide to defend its product and fight any lawsuits, government investigations, or consumer groups who try to make the company pay for damages or recall its product. A manufacturer might decide to first conduct tests on its own, gather information from various scientific agencies, and then make a decision. A company may take whatever action is required by law, such as placing a warning label on the product. Or the company may feel that the danger is so great that an immediate recall is necessary. The company then informs the public through television and newspaper ads of the safety problems and offers to buy back or replace the faulty product.

In this unit we will look at several examples of actions that business, government, and consumers have taken when faced with a product safety problem. In the Stonewall case study, you can decide for yourself if the company made a responsible decision, and what action government should take.

Activities in the lesson include:

1. **READING:** What Is Being Done About Product Safety?
2. **READING REVIEW:** Questions to Answer
3. **CASE STUDY:** The Stonewall Case
4. **SIMULATION:** The Stonewall Hearing
5. **VOCABULARY WORKSHEET**

## WHAT IS BEING DONE ABOUT PRODUCT SAFETY?

There are a number of corporations, consumer groups, and government agencies actively working on product safety. The following cases are examples of what is being done.

## ACTION: BY CORPORATIONS

One of Corning Glass Works' products is an electric coffee pot. In 1974, Corning produced 360,000 such electric percolators. The coffee pots had faulty handles which could become unglued. 373 people reported they were burned because of this defect.

Instead of waiting for a recall order from the Consumer Product Safety Commission, Corning Glass Works immediately recalled the coffee pot. In order to inform consumers of the recall, Corning spent \$1 million on recall display kits set up in 90,000 stores. Corning also announced the recall on prime-time television and in almost every major newspaper. Corning replaced the defective pots with new Corning coffee pots and also issued checks to cover mailing and insurance costs.

Corning Glass Works gained respect from consumers because of the recall. The company also received a great deal of good publicity, which certainly will help its future business.

## ACTION: BY INDUSTRY AND GOVERNMENT

"We don't want to see consumers burning up," announced a manufacturer of polyurethane foam recently.\* So, the Urethane Division of the Society of the Plastics Industry, Inc. asked the federal government to pass stricter standards on making the foam fire-proof.

The soft, flexible foam is used in carpet padding, mattresses, upholstered furniture and seats in cars, buses, airplanes, and subways. It burns hotter and faster than wood, emits poisonous gases and creates thick smoke. It catches fire easily with one match.

\*Dr. Steven Assony, Manager of Technical Services, CPR division of The Upjohn Co., Los Angeles Times, August 22, 1979.

The industry has known for years of the product's hazards, but felt the standards made the foam safe enough for use in private homes. However, the foam is also used in crowded places, such as hospitals, theaters, subways, and airplanes. It has caused deaths by burning furiously in places where people were trapped.

Urethane producers admit they not only want to protect consumers but to avoid lawsuits. The Bureau of Urethane Information in Southern California has decided to promote stricter standards "to clean up our act from within."\* One company will lose about 25% of its business while it makes costlier, fire-retardant foam. Dr. Assony said the bid for higher standards is "partly altruistic, partly good business."

#### ACTION: BY CORPORATIONS

General Motors discovered from its own investigation that part of the air conditioning system in recent model cars could fail. GM announced extended warranty coverage of the air conditioning system for owners of cars that develop the trouble. The normal warranty is 12 months, or 12,000 miles. The extended warranty is 36 months or 50,000 miles. GM notified its dealers that GM will pay for repairs on any cars that develop corrosion of the air conditioning evaporation core.

#### ACTION: BY CONSUMERS

When faced with a dangerous product, consumers can take protective action for themselves as well as for others.

A family recently moved into a new house with a large expanse of grass and a swimming pool. In order to protect the children and their friends from the possibility of falling into the pool, they decided to build a high plastic covered wire fence around the pool. This broke up their lovely lawn, but they felt it was more important to be sure of the children's safety.

\*Tom Kelly, spokesman for Bureau of Urethane Information, Los Angeles Times, August 22, 1979.

Surprisingly many people make the choice. Of the 230 people who drowned in home pools the same year their family moved, 75% were children under 10 years of age. In over half of the cases, no one else was at the poolside when the child drowned.

#### ACTION: BY PRIVATE GROUPS

The Consumer's Union, publisher of Consumer Reports, is a private organization working for product safety and quality. It specializes in offering practical guidance to buyers not only on lowest prices, but on safety features and product design. Consumer's Union conducts laboratory and field tests to inform buyers of the truth about a product, aside from the advertisements. The group was the first to promote safety legislation, consumer activism, and education. The U. S. Consumer Product Safety Commission chose the Consumer's Union as the first group to propose safety standards for a new product, the power lawnmower. Consumer's Union is financed by private individuals. Its tests are designed to inform consumers only, not to please manufacturers.

Another private organization, Underwriters Laboratories, tests electrical appliances for a fee, at the request of the manufacturers. Founded in 1894, UL is a non-profit organization. Its reputation is so strong that many stores won't sell an appliance that doesn't have a UL seal. Manufacturers hope to earn the seal, which tells consumers the product is safe and of high quality.

#### ACTION: BY GOVERNMENT AGENCIES

The Consumer Product Safety Commission, a government agency, was formed in 1972 to set product safety standards. It regulates 10,000 items including clothes, appliances, electrical wiring, insulation, and power tools.

An example of the Commission's actions was a recall and fine for Pittway Corporation. Pittway's smoke detectors had a defect in them that could cause fires. Because the company did not notify the government of this danger, Pittway had to pay a civil fine of \$100,000. The fine was levied after the Consumer Product Safety Commission (CPSC) investigated Pittway's smoke detectors. The defect, found in 115,000 detectors, caused



the device to overheat. Not only did it stop working, but the heat inside the detector could start a fire of its own. The smoke detectors sold between 1974-75 were recalled. Consumers have returned 60,000 of them. Pittway agreed to pay the fine to settle the charges in the CPSC complaint about the faulty detector.

Other government agencies that answer consumer complaints are:

Those under federal jurisdiction:

Department of Health and Human Services: Food and Drug Administration (FDA)  
Office of Consumer Affairs  
Public Health Service (PHS)

Department of Transportation: National Highway Traffic Safety Administration (NHTSA)  
Federal Aviation Administration (FAA)  
U. S. Coast Guard, Office of Boating Safety

Department of Energy: Office of the Inspector General

Department of Education: Office of the Inspector General

Department of Agriculture: Animal and Plant Health Inspection Service (APHIS)  
Food and Nutrition Service

Department of Housing and Urban Development (HUD): Office of the Inspector General

Department of the Treasury: Bureau of Alcohol, Tobacco and Firearms  
Office of the Inspector General

Department of Interior: Office of the Inspector General

Department of Labor: Occupational Safety and Health Administration (OSHA)

Independent agencies mandated by Congress:

General Service Administration (GSA)  
Securities and Exchange Commission (SEC)  
Civil Aeronautics Board (CAB)  
Federal Trade Commission (FTC)  
Federal Communications Commission (FCC)  
Office of the Postmaster General, U. S. Postal Service  
Environmental Protection Agency (EPA)  
Nuclear Regulatory Commission (NRC)  
Interstate Commerce Commission (ICC)  
Equal Employment Opportunity Commission (EEOC)

# Toy Maker Finds Accepting Recall the Best Way to Avoid a 'Disaster'

BY LARRY KRAMER  
The Washington Post

WASHINGTON—Until April 4, 1978, Parker Brothers had no reason to believe that it had anything but a big winner in its new children's toy, Riviton.

A construction toy for 6-to-12-year-olds, Riviton had become a best seller, with more than 900,000 sets sold in less than two years.

But on that spring day, a phone call to Parker's Beverly, Mass., headquarters from a toy industry lawyer began a chain reaction that would challenge the credibility of the 98-year-old company and shake the foundation of its time-earned reputation.

What eventually occurred was an all-too-rare example of a company averting a potential disaster and, at the same time, bending the regulatory process to its profit.

The phone call to Parker Brothers President Randolph Barton was from the legal counsel for the Toy Manufacturers of America, who said he had just learned of the death, about three months earlier, of an 8-year-old boy in Wisconsin who had suffocated with a Riviton rivet in his right lung.

"We learned later that the attorney representing the boy's family had contacted the Consumer Product Safety Commission and that a regional office of the commission had conducted a hazard evaluation of Riviton," Barton remembers. "No action was recommended by the CPSC. At the time, we concluded the incident was an isolated freak accident which did not warrant action on our part."

But seven months later on a Thursday in November, Barton received another call on Riviton from a New Jersey newspaper reporter who said that a 8-year-old New Jersey boy had suffocated on a Riviton rivet.

"We made attempts to confirm the reported death but were unable to obtain specifics until the following Monday, Nov. 20," Barton said. "On Monday, the presence of the rivet in the boy's lung was confirmed."

At that point, Barton and the rest of Parker management met to review the situation.

Two deaths had occurred, but the product had met all voluntary and industry-set safety standards. "We were under no pressure from any government agency to do anything," Barton added.

"But," he said, "we never before in 98 years of being in business had heard of a serious accident or injury resulting from the use or misuse of any of our products."

The Parker management team saw two alternatives. "We could do nothing," Barton said. "Perhaps in fact, we were over-reacting. Both accidents clearly resulted from product misuse." But, he added, two such deaths clearly indicated the potential for further misuse.

"The company could issue a statement of warning to the consumer and put such a warning on the label of the package, pointing out the hazards of possible misuse. We felt, however, that such a measure would not be effective in preventing future misuse," Barton said.

"The product could be modified to eliminate the possi-

Los Angeles Times, July 8, 1979

By Larry Kramer,  
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ble hazard. "But the problem there was timing," Barton remembered. "There was no effective means of modifying the product available. It could take months of research and testing."

The final option—on which the company decided—was total recall. "Ultimately, we wanted to act responsibly and promptly to prevent additional product misuse," Barton said. "We felt a recall would be taken seriously by the consumer."

So on the following Monday morning, Parker Brothers called their corporate lawyers for an opinion—Parker is a division of General Mills Inc.

The next morning—Tuesday, Nov. 21—Barton put out a "stop ship" order and assembled a task force to evaluate the situation quickly and develop the most effective recall procedure.

By the end of that day, the task force had developed a plan, and Barton was on his way to New York to meet with his corporate superiors.

"They agreed with our analysis of the options that were available," Barton said. "They also agreed with our recommendation that Riviton should be pulled off the market."

But still one more meeting was set for General Mills' top management on Friday, Nov. 24—the day after Thanksgiving. That group, the company's policy committee, also quickly approved the recall.

Parker's chief counsel then called the Consumer Product Safety Commission to inform them of the impending action.

And on that same day, Parker Brothers issued the first news release on the recall. It was brief but to the point.

**RAYMILT, MASS.**—Parker Brothers today announced the voluntary recall of all Riviton Construction Toys.

"While the Riviton Construction Toy complies with all safety requirements and does not present a hazard when properly used, Parker Brothers has made the decision to withdraw this product from the market because of two accidental deaths associated with product misuse.

"The company reached this decision after the recent death of a 9-year-old child was attributed to choking on a rubber fastening rivet from the Riviton Construction Toy."

Parker hired extra personnel to man toll-free telephones and offered full rebates.

"There was no chance the release could be misunderstood," Barton said. "It stated that two children had died. We expected to have an absolute flood of phone calls from the press.

"They never came," he said.

Because the release came on a holiday weekend, few papers used it.

So the next day, Parker began contacting its major customers by telegram and phone calls to have them start taking returns immediately. The company also hired extra personnel to dispose of the sets as they were returned—either through incineration or burial.

The following Monday, Parker went to the press again, and this time the story took hold. Both major wire services and the television networks did stories, and hundreds of newspapers ran stories.

The sets began pouring in. Now, seven months later, they are still coming in at the rate of 200 a week.

"At this point," Barton said during an interview this week, "we have better than 400,000 of the 500,000 sets back, and they are still coming in. We have met our primary objective."

Did the recall effort hurt Parker financially? Estimated cost to the company, according to sources, was about a million.

"Not at all," Barton said. "By demonstrating our concern for the millions of parents and children who buy and use our products, we have built a more solid relationship with our consumers than ever before."

## CONCLUSION

As these cases illustrate, many groups are active in the field of product safety. But what can companies do so that recalls, extended warranties, court cases, and fines will be less frequent?

Some companies have taken steps to make sure the information about any design flaws and safety defects of a new product reaches the company's top decision-makers. Two departments may be created. One is concerned with quality control and product safety. The other is concerned with production. Managers report to two different vice presidents in charge of these two departments. This is done so that a manager is rewarded for exposing safety problems, rather than punished for raising issues that slow down product development and production.

Some corporations are spending more money on design review, research and testing. The following case is an example of a common problem facing product engineers, and a procedure to solve it.

A design engineer was facing a problem. He could save 50¢ by using one design, but the consequence might be a product that would result in unsafe operation. He submitted both designs to the company's Product Safety Committee. This is a group which includes the Chief Product Engineer, Sales Manager, Service Manager, General Manager and a representative from the Legal Department. The lawyer said, "We can save 50¢ a unit now, but think of the thousands of dollars it will cost in product liability suits later. All of those injuries due to faulty design could cost this company its reputation and much money!" The Product Safety Committee recommended the more expensive design.

READING REVIEW

To check your understanding of the reading, answer the following questions.

1. Why did Corning Glass Works spend more than a million dollars on the recall of its coffee pots?
2. What can consumers do to improve product safety?
3. What is the Consumer's Union?
4. What are the responsibilities of the Consumer Product Safety Commission?
5. What alternatives did the Parker Company have when it found the Riviton toy had been involved in two children's deaths? Which option did the company choose?
6. When a corporation wants to improve the reporting of design defects the company might create two different departments, one for production and another department concerned with safety and quality control. Why would this action help more information get to the company's top management?

## THE STONEWALL CASE

When a product has caused injuries, the manufacturers, consumer groups, and government agencies take action. The Stonewall case, which follows, is a debate about one type of action: the possible recall of a product.

The Stonewall Company has produced the Roadhugger steel belted radial tire. Consumer complaints about the Roadhugger tire have led to investigations into the tire's safety. A Congressional sub-committee is meeting to decide if the government should demand a recall of the Roadhugger. A recall would require the Stonewall Company to replace all defective Roadhugger tires, giving consumers brand new tires.

## INSTRUCTIONS FOR THE STONEWALL HEARING

You will have an active part in this debate. You may be a witness, a sub-committee member, a clerk, or a journalist. During the hearing, witnesses will be referring to some of the terms in the Information Packet, so everyone needs to read this packet carefully. The Decision-Making Guide can help you decide what should be done in this case. Use the Guide to take notes during the hearing.

Before the Stonewall Hearing

1. Review your role
2. Read the Information Packet, p. 10-14

During the Stonewall Hearing

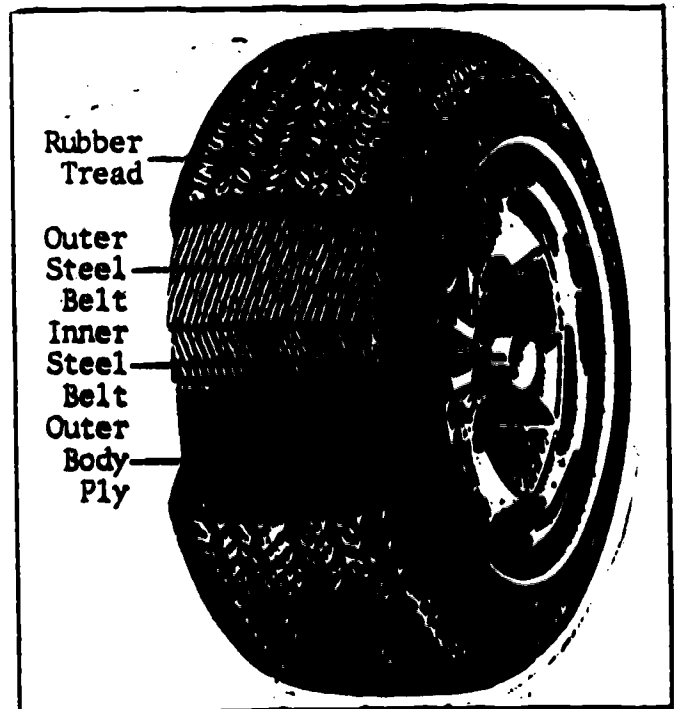
1. Testify
2. Listen to the testimony of others
3. Use the Decision-Making Guide, p. 16
4. Make a decision in favor of against the recall

After the Stonewall Hearing

1. Discuss the case and the evidence
2. Complete the Review, p. 17

WHAT IS A STEEL BELTED RADIAL?

The steel belted radial tire is a new invention. It lasts longer, uses less gas and gives a smoother ride than the traditional "bias ply" tires, which are made all of rubber. The steel belted radial has a layer of wire threads underneath the rubber tread. The wire forms a heavy weight which holds the tire more firmly on the road during turns, but allows the walls of the tire to bend. This makes it feel very smooth to passengers. It also makes the tire strong. This tire was invented in France by the Michelin Company. It has become so popular that, since 1974, tire companies have produced more steel belted radials than any other kind of tire. New cars come equipped with steel belted radial tires now.

WHAT IS A 'BLOW OUT'?

A tire acts as a container for air. The air is held under tremendous pressure, and if it escapes, it causes an explosion. When the tire is weak, air can burst through its rubber wall. Many factors can weaken a tire. Steel belted radials weaken if there is not enough air in them to keep the metal belt away from the rubber. The metal can cut into the rubber, or it can heat up as the tire rolls over the road, and melt a hole in the rubber. This is why proper inflation of steel belted radials is especially important.

WHAT IS INFLATION?

Inflation is the amount of air in a tire. The amount of air you should put

into a tire depends on what kind of car you drive and on what kind of tires you put on it. Every car comes with a recommended tire type and inflation level. Every tire comes with an ideal inflation level also. PROPER INFLATION means the tires have exactly the right amount of air in them, considering both the type of car and the type of tire. UNDERINFLATION means there is not enough air in the tires. For steel belted radials, this can cause heat to build up in the metal belts. It also causes the tread to wear out on the edges of the tire. OVERINFLATION means the tires are too full of air. They will be harder to turn, and they will be damaged more if they are run over something or bump into something. The center of the tread will wear out faster in over-inflated tires.

#### POUNDS PER SQUARE INCH (P.S.I.)

P.S.I. is how the air pressure in a tire is measured. The recommended inflation levels for tires are described by p.s.i., such as 30 p.s.i. or 22 p.s.i. Tire gauges, which are used to measure inflation when you put air into your tires, tell you the p.s.i. level of air. The recommended p.s.i. for a tire is printed into the rubber on the side of the tire.

#### TIRE ADJUSTMENT POLICY

Every tire company has its own tire adjustment policy. Adjustment is the way a company pays back the customer who has bought a faulty tire. If a new tire blows out, the customer can take it back to the dealer for a replacement. The replacement tire must be made by the same company as the faulty tire. It will be sold at a discount. The amount of discount will depend on the amount of tread left on the faulty tire. So, it is cheaper for the consumer to buy the same tire again than to pay full price for some other company's new tire.

#### WHAT IS TIRE ADJUSTMENT RATE?

A tire adjustment rate tells dealers and tire companies how well a particular kind of tire is selling and how many of those tires have been returned. The rate is determined by dividing the number of returned tires by the total number of tires sold. Made into a percentage, this number is a simple



way for dealers and companies to compare the various tires on the market.

$$\frac{\text{Number of Adjusted Tires}}{\text{Total Number of Tires Manufactured}} \times 100\% = \text{Adjustment Rate} \\ \text{(a percentage)}$$

Most tires have a 2% to 4% adjustment rate. The Stonewall Roadhugger has a 7.4% overall adjustment rate. Both tire dealers and Stonewall can see this tire has a problem. Tire companies use the adjustment rate to recommend changes in their new products as well as to see how many of its products are being bought.

### WHAT IS A PERSONAL INJURY CASE?

If individuals are hurt by a product, they can take the manufacturer to court. The injury can be emotional or physical, caused by a safety defect in the product. If the injured person wins the case, the manufacturer will have to pay for damages. This can be expensive for companies, especially if many people take the same product to court. Once the court decides the product is dangerous, it will be easier for other consumers to win money in settlement of similar complaints. This is called "precedent." Manufacturers' reputations often are harmed, since personal injury cases usually are publicized. For the consumer, the case can be expensive also. A lawyer can charge the injured person by the hour, costly if the case takes a long time to finish. Or the lawyer can charge on a "contingency basis." This way, the lawyer only gets paid if he or she wins the case. Then the lawyer takes a percentage of what the manufacturer owes the injured person in damages.

### WHAT IS THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA)?

The National Highway Traffic Safety Administration, or NHTSA, is an agency within the U. S. Department of Transportation. It was created to enforce the National Traffic and Motor Vehicle Safety Act and the Highway Safety Act of 1966. Its 800 employees work in Washington, D. C. and in ten regional offices, to improve traffic safety. It has a budget of \$257 million, which is used to investigate auto and highway safety problems. Part of the money

is given to states to improve safety standards on the roads.

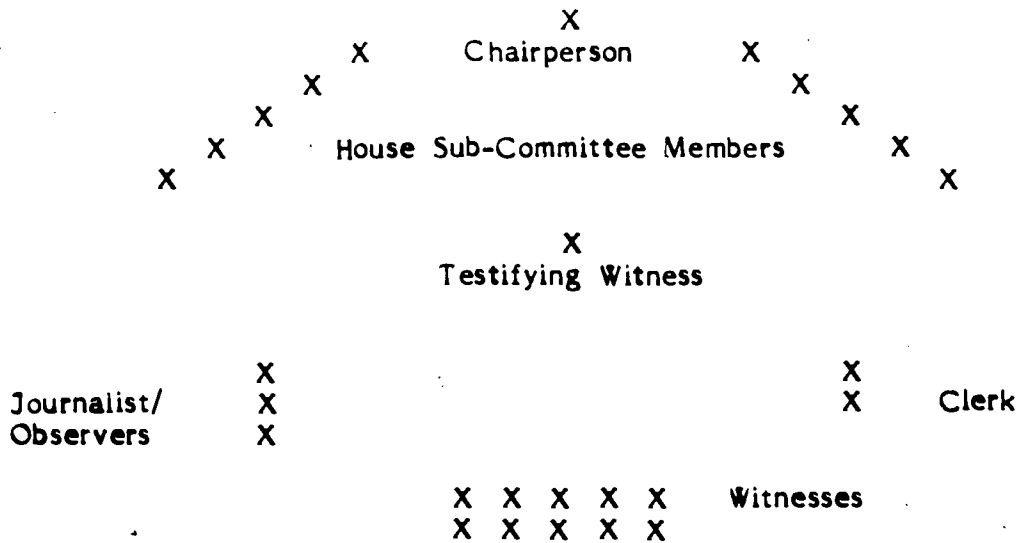
The NHTSA's projects include researching safety features for cars, such as safety belts, enforcing the 55 mph speed limit, discouraging drinking and driving, providing safe places for pedestrians and cyclists, designing clearer road signs and working with other countries to make roads and traffic rules similar around the world.

After the NHTSA has investigated a certain product, such as tires, it can make an "initial determination" about whether any safety hazard exists. The agency then must hold a public hearing, where the manufacturers of the product can defend it, and consumers can explain the problems or the good service they have had from the product. After the hearing, the NHTSA makes a "final determination." If the NHTSA feels the product is dangerous, the director of the agency can order a recall. The NHTSA's Office of Defects Investigation studies the legal and technical issues, and helps to conduct the hearing.

Each year, the NHTSA reports to the U.S. President, who then informs Congress of the agency's work. Congress uses the NHTSA's findings to pass new safety laws.

STONEWALL HEARING

The room should be arranged as follows:



List of Witnesses:

- Muriel Jefferson, Stonewall Tire Consumer
- Charlotte Adams, Professor and Engineer
- Joe Coolidge, Stonewall Engineer
- Sanford J. Fernandez, Highway Patrolman
- Henry Earle, Tire Dealer
- Elmer M. Sweeny, Tire Dealer
- Janet D. Zumwalt, NHTSA
- Jane McCarthy, Stonewall Lawyer
- Eleanor M. Calvin, Center for Auto Safety
- Frederick G. Arlington, Stonewall Vice President

DECISION-MAKING GUIDE

Should there be a recall of the Stonewall Roadhugger tire?

Evidence for a Recall	Evidence against a Recall

I have decided that YES, there should be a recall. \_\_\_\_\_

NO, there should not be a recall. \_\_\_\_\_

I think the best way to settle this case is:

- ( ) The NHTSA should order Stonewall to recall all Roadhugger tires.
- ( ) No recall. Injured consumers should use the courts and personal injury suits to settle complaints about Stonewall tires.
- ( ) No recall. Stonewall should continue to use its adjustment policy to satisfy consumer complaints; the government should do nothing.
- ( ) No recall yet. The NHTSA should conduct more tests and consumer surveys of the Roadhugger before deciding on the recall.
- ( ) Other: \_\_\_\_\_

AFTER THE HEARING: DISCUSSION QUESTIONS

1. Begin the discussion by reading a journalist/observer's report of the Hearing. Do you agree with the description of what happened? Any additions or corrections?
2. Do you agree with the Sub-Committee's decision in the Stonewall case? For what reasons?
3. Look at your notes on the Decision-Making Guide. What evidence did each side present?
4. Is there any problem with the evidence? What are the weak arguments in this case? Why?
5. What procedures and evidence should be required before a company is forced to recall a product by a government agency?
6. What could Stonewall gain by delaying the recall? What could Stonewall lose by being forced into a recall?
7. If you were a Stonewall vice president, what would you have done when you started to get reports of safety problems with Roadhugger tires?
8. As a consumer, if you had an accident with a Stonewall tire, what would you do? What would be the most effective way to protect yourself from tire failures?
9. Is there a need for government hearings and inspections of consumer products?
10. What can be done to encourage the production of safer products?

VOCABULARY WORKSHEET

A. Place the correct word or words in the space provided to complete each sentence.

1. The NHTSA is government agency concerned with

\_\_\_\_\_

2. The NHTSA is required to hold a \_\_\_\_\_ after an initial determination to allow consumers and manufacturers to testify.

3. When an injured consumer sues a manufacturer of a product, it is called a \_\_\_\_\_ suit.

4. A blow-out is a term used to refer to a tire that

\_\_\_\_\_

5. When the number of returned tires is divided by the number of tires sold, and multiplied by 100, we have the \_\_\_\_\_.

6. One of the advantages of steel belted radials over bias ply tires is

\_\_\_\_\_

7. The Consumer Product Safety Commission is a government agency with the power to

\_\_\_\_\_

8. The voluntary recall of the Riviton toy by Parker Company cost the company \_\_\_\_\_ million dollars.

B. List four actions that a company can take when it faces a product safety problem:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_