

Fiat Chrysler to pay \$515 mn in US 'dieselgate' settlements

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The Jeep Grand Cherokee and EcoDiesel Ram 1500 for 2014-2016 were designed to defeat emissions tests, resulting in much higher levels of pollution spewed into the air than allowed by US law

Fiat Chrysler has agreed to a \$515 million US settlement on charges it

installed "defeat devices" on cars to evade emissions tests, the US Justice Department announced Thursday.

The auto giant will recall and repair more than 100,000 diesel vehicles sold in the United States at a cost of about \$185 million.

The remaining funds will go to civil fines and mitigation payments to the United States and the state of California.

US officials said FCA's EcoDiesel Ram 1500 and Jeep Grand Cherokee for model years 2014-2016 were built with software designed to operate differently during emissions tests compared with real-world conditions.

As a result the cars spewed nitrogen oxide and other pollutants at "much higher" levels than allowed in the United States or California, the Justice Department said.

"Fiat Chrysler broke those laws and this case demonstrates that steep penalties await corporations that engage in such egregious violations," Principal US Deputy Associate Attorney General Jesse Panuccio said in a statement.

California will receive \$78.4 million as part of the settlement for violations of the state's clear emissions standards.

California Attorney Xavier Becerra said the automaker "tried to evade these standards by installing software to cheat emissions testing."

"The company not only violated the law and our trust but did so at the expense of our environment. With this settlement, we are holding Fiat Chrysler accountable and securing important funds for environmental protection efforts."



Fiat Chrysler says the violations of emissions standards by 100,000 vehicles was unintentional

No admission

The settlements follow the Volkswagen scandal over defeat devices that has spawned billions of dollars in fines, civil settlements and criminal prosecutions of former executives with the German giant.

But unlike the VW case, the Justice Department said FCA did not initially admit that there was anything wrong with their vehicles.

"It took us a while to figure out how they were doing it," one US official told reporters, noting that staff had to delve "into the computer codes to figure out what exactly they had done."

FCA continues to maintain that the violations were not intentional.

"The settlements do not change the company's position that it did not engage in any deliberate scheme to install defeat devices to cheat emissions tests," FCA said in a statement.

The required fix to the vehicles will involve a free software fix with no need to modify any hardware, the statement said.

"We acknowledge that this has created uncertainty for our customers and we believe this resolution will maintain their trust in us," said Mark Chernoby, the company's Head of North American Safety and Regulatory Compliance.

The Justice Department said the FCA agreement "does not resolve any potential criminal liability" or consumer claims.

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