Message

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Subject: Bloomberg: US sues Fiat Chrysler for diesel emissions violations, 5/23/17

Bloomberg
https://www.bloomberg.com/news/articles/2017-05-23/u-s-files-lawsuit-against-fiat-chrysler-over-diesel-emissions
US sues Fiat Chrysler for diesel emissions violations
By Ryan Beene and Jamie Butters 5/23/17

The U.S. Justice Department sued Fiat Chrysler Automobiles NV over claims its diesel-powered pickups and SUVs were outfitted with illegal software that allowed them to pass laboratory emissions tests.

The complaint filed Tuesday alleges that nearly 104,000 vehicles with 3.0 liter EcoDiesel engines were equipped with software "defeat devices" that caused the vehicles' emission control systems to perform differently, and less effectively, during certain normal driving conditions than on laboratory emissions tests, according to a statement from the Environmental Protection Agency.

The company issued a statement saying it "is currently reviewing the complaint, but is disappointed" that the suit had been filed.

"The company intends to defend itself vigorously, particularly against any claims that the company engaged in any deliberate scheme to install defeat devices to cheat U.S. emissions tests," according to the statement.

That could set up an intense showdown between U.S. officials and Fiat Chrysler, which has fought regulators in the past. The government is seeking civil penalties for alleged violations of the Clean Air Act, according to the EPA which said its complaint was filed Tuesday in a federal court in Detroit.

The suit comes after months of negotiations failed to bridge a divide between the company and regulators over the nature of emissions calibrations used on 2014-2016 Jeep Grand Cherokee SUVs and Ram 1500 pickups powered by diesel engines. Fiat Chrysler's diesel emissions are also the subject of a U.S. criminal probe.

Volkswagen AG touched off the biggest scandal in modern automotive history when it admitted in 2015 that about 11 million diesel cars worldwide were outfitted with so-called defeat devices, embedded algorithms used to game emissions tests. The German automaker has committed to spending upwards of $24.5 billion in North America to settle legal claims, including both civil and criminal cases brought last year by the U.S. government, and buy back or repair some 560,000 vehicles.

Unlike VW, Fiat Chrysler has steadfastly denied that it knowingly set out to cheat on emissions tests.

Fiat Chrysler announced May 19 that it had proposed a fix to its diesel emissions calibrations in a bid to resolve the EPA's concerns with the vehicles. If the agency approves the proposed settings for the automaker's 2017 diesels, the company said, the carmaker would then make the same modifications to the older vehicles under scrutiny.

In January, the EPA identified eight emissions controls in the Jeep and Ram diesels that weren't disclosed as required in applications for clean-air certifications filed with the agency. The EPA also said it believed that one or more of those controls were defeat devices, and challenged the carmaker to prove otherwise.

An initial hearing of separate lawsuits, brought by owners of the diesel SUVs and pickups, is set for Wednesday in San Francisco federal court where VW emissions lawsuits were consolidated. The EPA said in a statement Tuesday it will try to move its case to the same court.
The case is U.S. v Fiat Chrysler Automobiles N.V., 17-cv-11633, U.S. District Court, Eastern District of Michigan (Detroit).

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