

Fiat Chrysler said to pay more than \$700mn over US diesel emissions claims



FIAT CHRYSLER AUTOMOBILES

Reuters Washington

Fiat Chrysler Automobiles NV will pay more than \$700mn to resolve lawsuits from the US Justice Department and diesel owners over claims it used illegal software to allow 104,000 diesel vehicles to emit excess emissions, three people briefed on the matter said on Wednesday. Fiat Chrysler will pay \$311mn in civil penalties to US and California regulators, about \$75mn to states investigating the excess emissions and additional funds to offset excess emissions from the older cars. It will also pay \$280mn to settle a lawsuit by owners, the sources said. Fiat Chrysler has denied any wrongdoing and previously said there was never an attempt to create software to cheat emissions rules. In October, the company set aside €713mn (\$815mn) to cover potential costs related to the case. Separately, Robert Bosch GmbH, a German auto supplier that made some components for the Fiat Chrysler diesel engines, is expected to announce it will settle suits from US owners for \$30mn, one person said. The settlements are set to be announced on Thursday at the Justice Department. Fiat Chrysler, Bosch and the Justice Department declined to

comment. The Environmental Protection Agency issued a media advisory on Wednesday that said it would make an "announcement of a significant civil action to address cheating on federal auto-emissions tests." The Justice Department sued Fiat Chrysler in May 2017, accusing it of illegally using software that led to excess emissions in 104,000 US diesel vehicles from the 2014-2016 model years. Fiat Chrysler won approval from US regulators in July 2017 to sell diesel vehicles with updated software. The company has repeatedly said it hoped to use that software to address agencies' concerns over the 2014-2016 vehicles. The company is not expected to make any hardware changes to the vehicles and the fix will not impact the vehicle's fuel economy, two people said. Owners of those vehicles are expected to get an average of \$2,800 each for completing the software updates, the sources said. Fiat Chrysler will formally issue an emissions recall for the vehicles, but will not offer to buy back the vehicles, the sources said. The Justice Department in 2017 said Fiat Chrysler used auxiliary emissions controls in diesel vehicles that led to "substantially" higher than allowable levels of nitrogen oxide, or NOx pollution, which is linked to smog formation and respiratory problems. US and California regulators stepped up scrutiny of diesel vehicles after Volkswagen AG admitted in 2015 to illegally installing software in US vehicles for years to evade emissions standards. VW has agreed to pay more than \$25bn in the United States for claims from owners, environmental regulators, states and dealers. Regulators have also been probing diesel emissions in Daimler AG's US Mercedes Benz vehicles.