



Volume 1, Number 2

Enforcement Alert

Office of Regulatory Enforcement

ABOUT Enforcement Alert

The Enforcement Alert is published periodically by EPA's Office of Regulatory Enforcement. It informs and educates the public and regulated community of important environmental enforcement issues, recent trends and significant enforcement actions.

This information should help the regulated community anticipate and prevent violations of federal environmental law that could otherwise lead to enforcement action.

See Page 2 for useful EPA Websites and additional resources.

Eric V. Schaeffer
Director, Office of
Regulatory Enforcement

Clean Air Act Prohibits "Defeat Devices" in Vehicles, Engines

Honda to Spend \$267 Mil, Ford \$7.8 Mil. to Settle Charges

Under the Clean Air Act (CAA) and EPA regulations promulgated under the Act, a manufacturer is prohibited from selling or offering for sale any new motor vehicle or motor vehicle engine equipped with any device designed to "defeat" the engines' emission control system.

On June 8, EPA and DOJ jointly announced major settlements with American Honda Motor Company and Ford Motor Company, resolving charges that both companies illegally sold vehicles and engines equipped with defeat devices that prevent emission-control systems from working properly. The two cases are described below:

Honda Case

In the Honda case, the government alleged that Honda disabled the misfire monitoring device on 1.6 million 1996 and 1997 model year Accords, Civics, Preludes, Odysseys, and Acuras, as well as 1995 Honda Civics. The complaint also alleged that Honda failed to report this fact when applying for certificates of conformity, a necessary prerequisite to selling motor vehicles in this country.

The misfire monitoring device is part of an enhanced computer system, known as the "On-Board Diagnostic System (OBD)," which checks a vehicle's emission performance when the vehicle is in use. Since the misfire device is disabled during an engine misfire, the system's malfunction indicator light will not operate. Because the vehicle's owner is unaware that the engine needs to be serviced, increased exhaust emissions of hydrocarbons and damage to the vehicle's catalyst

may occur, and mechanics and smog-check facilities will be deprived of information stored by the OBD system.

Under an agreement filed with the U.S. District Court for the District of Columbia, and a related agreement between Honda and the California Air Resources Board, Honda will extend the emissions warranty for all affected models to 14 years/150,000 miles, provide an engine check and any warranty repairs needed between 50,000 and 75,000 miles of use, and provide a free tune up and oil change between 75,000 and 150,000 miles of use, at a cost to Honda of at least \$250 million. In addition, Honda will spend, under the fed-

What the law requires:

Section 203 (a)(3)(b) of the Clean Air Act (CAA), 42 U.S.C. Sec. 7522(a)(3)(b), prohibits the manufacture, selling, or installation of any device that bypasses, defeats, or renders inoperative a required element of the vehicle's emissions control system.

Section 203 (a)(1) of the same Act also prohibits the sale of motor vehicles or engines that are not covered by valid certificates of conformity.

40 CFR Part 86, Subpart A describes the regulatory requirements for defeat devices.

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eral and state agreements, \$17.1 million, including \$12.6 million in civil penalties, and \$4.5 million to implement environmental projects to reduce pollution.

If Honda's violations had been left undetected, EPA estimates that more than 8,000 tons of hydrocarbons would have been emitted into the atmosphere by misfiring cars. Hydrocarbons are a component of ozone, which can aggravate respiratory conditions such as asthma.

EPA commended Honda for its cooperation during the investigation. Honda will notify owners of affected vehicles three times during the life of the vehicles.

Contact David E. Alexander, (202) 564-2109.

Ford Case

In the Ford case, also filed in the U.S. District Court for the District of Columbia, the company will spend \$7.8 million to settle allegations that it violated the CAA by illegally installing a device that defeats the emission-control system in 60,000 1997 Ford Econoline vans.

The defeat device involved in this case was a sophisticated electronic control strategy designed to enhance fuel economy. According to EPA, the system caused smog-causing nitrogen ox-

ide emissions to increase well beyond the limits of the CAA emission standards when the vans are driven at highway speeds.

EPA estimates the settlement will prevent thousands of tons of nitrogen oxide from being released into the atmosphere. The smog caused by nitrogen oxide can aggravate asthma and cause other respiratory problems.

The consent decree requires Ford to deactivate the strategy in all affected Econolines at an estimated cost of \$1.3 million, pay \$2.5 million in civil penalties, purchase 2,500 tons of nitrogen oxide credits valued at up to \$2.5 million to offset the excess emissions, and spend \$1.5 million on projects designed to reduce future harmful pollutants in the air.

Ford voluntarily stopped the sale of the Econolines and deactivating the strategy in March 1997 when notified by EPA that the affected vans may be in violation of the CAA. The company also initiated a special service instruction to dealers to deactivate the strategy in the vans when they are brought to Ford dealerships for other services. Ford cooperated with EPA and DOJ during the entire investigation.

About 28 percent of the 60,000 Econoline vans equipped with the strategy have been captured through Ford's special service instruction to date. The

remainder will be recalled. Owners of the affected vehicles will receive a recall notification letter from Ford. The company will perform all recall work free of charge at the convenience of the vehicle's owner.

Ford has entered into a separate consent decree with the California Air Resource Board. That decree required Ford to recall the California-certified Econolines and pay civil penalties of \$335,000.

Contact David J. Gottfried, (202) 564-1019.

Useful Websites

EPA HOMEPAGE

<http://www.epa.gov/epahome>

OFFICE OF AIR AND RADIATION

<http://www.epa.gov/oar/oarhome.html>

OFFICE OF MOBILE SOURCES (MOTOR VEHICLES, FUELS, NONROAD ENGINES)

<http://www.epa.gov/omswww/omshome.htm>

OFFICE OF MOBILE SOURCES (AUTOMOBILES AND LIGHT TRUCKS)

<http://www.epa.gov/OMSWWW/ld-hwy.htm>

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Editor: Virginia Bueno, (202) 564-8684.

bueno.virginia@epamail.epa.gov

*Layout & design: Sarah Weaver,
weaver.sarah@epamail.epa.gov*



United States
Environmental Protection Agency
Office of Regulatory Enforcement
2201A
Washington, D.C. 20460

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Permit No. G-35

