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## Emissions Case Costs GM Fine, Cadillac Recall

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General Motors Corp. agreed yesterday to pay \$45 million to settle a government suit alleging it deliberately installed devices to circumvent the emissions control systems in 470,000 Cadillac luxury cars.

Under terms of the settlement, the company also agreed to recall all of these automobiles, made for the 1991 through 1995 model years.

The Cadillac engine affected by the recall is GM's 4.9-liter V-8, which was discontinued at the end of the 1995 model year. That engine has been replaced by GM's Northstar System, which includes all-new 4.6-liter and 4.0-liter V-8s. The Northstar System is not affected by the recall.

The Justice Department, which brought the suit on behalf of the Environmental Protection Agency, called the case the "largest ever" filed under the amended 1992 Clean Air Act. It was also the first time the EPA has asked the Justice Department to go to court to force an automaker to recall cars for air pollution violations.

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## Cadillac Case Costs GM Fine, Recall

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GM said the case stemmed from a misunderstanding of actions taken by the company to boost engine performance while attempting to remain within the boundaries of federal auto emission control standards.

The company has vigorously contested government enforcement actions against it in the past. But under its current management it has taken a more conciliatory approach in order to dispose of such cases and end publicity as quickly as possible.

"We strongly disagree with the allegations made by the federal government," the company said in a statement. "This is a matter of interpretation of current regulations regarding the complex issue of off-cycle emissions."

"Off-cycle emissions" occur when an auto's air conditioner, or other power-consuming component, cycles off and on. Some engines may stall or stutter under such loads. Emissions control devices can, in some cases, contribute to the stalling.

In its suit, the government alleged GM installed illegal devices in the engine to retard the action of the emissions control unit. That resulted in the illegal release of 100,000 tons of excess carbon monoxide pollution in the United States since 1991, the government said.

Carbon monoxide can cause heart problems, headaches and impaired vision. It also can lead to a deterioration of learning skills, Attorney General Janet Reno said yesterday.

"Since 1991, these cars have poured carbon monoxide into the atmosphere at two to three times the legal limit," Reno said. "It's simply not fair to burden people's health to improve the sales appeal of automobiles."

One GM executive who did not want to be identified said the company tried to improve the performance of the engine when the air conditioner was operating by changing a computer chip. The chip regulates the mixing and burning of air and fuel. He said the company had no intention of skirting emissions control standards or trying to harm the public.

"We simply recalibrated the engines to avoid stalling when the air conditioner runs," the official said. When GM found the change produced more emissions, the company developed a new chip to lower them again, he said.

The EPA, in its routine testing of new models, discovered the emissions problem in September 1993. It argued GM had known of the problem but failed to inform the government.

In its statement, GM said it agreed to the consent decree to avoid prolonged litigation.

Under the consent agreement, GM must pay an \$11 million fine for violating EPA mobile-source pollution rules. The recall will cost another \$25 million, including labor and components needed to fix the cars.

GM also will spend \$8.75 million as part of a corporate community service penalty. The company will use the money to buy back a variety of older vehicles, which pollute more than new models. The company also might spend some of the money to provide school districts with new buses that run on batteries or compressed natural gas and other clean-burning fuels.