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GM to Pay \$145.8 Million Penalty After US Finds Excess Emissions

By David Shepardson

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July 3 (Reuters) - General Motors ([GM.N](#)) will pay a \$145.8 million penalty and forfeit credits worth hundreds of millions of dollars after a U.S. government investigation found excess emissions from approximately 5.9 million GM vehicles, government agencies said on Wednesday.

The Environmental Protection Agency said GM has agreed to give up approximately 50 million metric tons in carbon allowances after the multi-year investigation found vehicles from the 2012-2018 model years were emitting more than 10% higher carbon dioxide on average than GM's initial compliance reports claimed.

The National Highway Traffic Safety Administration separately said GM will pay a \$145.8 million penalty for fuel economy compliance issues and cancel more than 30.6 million fuel economy credits for the 2008-2010 model years to resolve the issues identified by EPA's light-duty vehicle in-use testing program.

GM earlier this year disclosed it was in discussions with the EPA and other regulators regarding adjustments to its credits, adding through 2023 its total costs expensed in connection with the issue was \$450 million representing its "current best estimate of the probable loss." That would value the credits forfeited at about \$300 million.

GM said Wednesday that figure is "consistent with the costs of the final resolution of these matters with the federal government."

In a statement, GM said it "has at all times complied with and adhered to all applicable laws and regulations in the certification and in-use testing of the vehicles in-question."

GM has previously purchased 38 million emissions credits to meet EPA requirements.

Reuters was first in reporting the settlement, citing sources.

Unlike the 2015 Volkswagen ([VOWG_p.DE](#)) diesel emissions case, the EPA is not alleging GM used a device to intentionally reduce emissions in testing.

'STRONG POLLUTION RULES'

Environmental advocates criticized the Detroit automaker soon after the announcement.

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"Consumers seem to have a pretty short memory about these sorts of things," Abuelsamid said.

The EPA is not seeking a recall of the GM vehicles that generated excess emissions.

"EPA's vehicle standards depend on strong oversight in order to deliver public health benefits in the real world," EPA Administrator Michael Regan said in a statement. "Our investigation has achieved accountability and upholds an important program that's reducing air pollution and protecting communities across the country."

The vehicles include 4.6 million 2012-2018 full size pickups and SUVs and approximately 1.3 million 2012-2018 midsize SUVs.

In June 2023, NHTSA said GM paid \$128.2 million in fuel economy penalties for not meeting requirements for 2016 and 2017. GM, which sells Chevrolet, Buick, GMC and Cadillac vehicles in the United States, had not previously paid a fine in the 40-year-old history of the fuel economy program. It had initially planned to use credits to meet its compliance shortfall but opted to pay penalties, NHTSA said.

Last year, NHTSA had proposed hiking fuel economy standards from 2027 through 2032 that it estimated would cost GM \$6.5 billion over the period. Under the final rule issued last month NHTSA said GM could face \$906 million in penalties through 2031.

“Any automaker failing its emissions limits should pay the price for its pollution,” said Katherine García, director of Sierra Club’s clean transportation for all campaign.

<https://www.reuters.com/business/autos-transportation/gm-pay-1458-million-penalty-after-us-finds-excess-emissions-59-million-vehicles-2024-07-03/>