

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

FORD MOTOR COMPANY

Defendant.

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) Civil Action No.
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CONSENT DECREE

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WHEREAS, plaintiff, the United States of America, at the request of the Administrator of the United States Environmental Protection Agency and by authority of the Attorney General, filed the Complaint herein against defendant Ford Motor Company ("Ford") alleging violations of the Clean Air Act, as amended, 42 U.S.C. §§ 7401 *et seq.* in connection with certain light duty vehicles and heavy duty engines manufactured and sold by Ford;

WHEREAS, Ford has denied and continues to deny the violations alleged in the Complaint;

WHEREAS, Ford promptly stopped shipment of the Econoline vans in response to the concerns of the United States, recalibrated the vehicles and engines which had not been delivered to the ultimate purchaser by deactivating the strategy causing concern, and responded quickly and cooperatively to EPA's inquiries;

WHEREAS, Ford, under its own initiative and based on its own judgment, issued special service instructions to dealers which instructed them to recalibrate the Econoline vans in question whenever they came in for service or repair;

WHEREAS, the United States and Ford have consented to entry of this Consent Decree without trial of any issues;

WHEREAS, the United States and Ford assert, and the Court by entering this Consent Decree finds, that this Consent Decree has been negotiated by the United States and Ford in good faith, that implementation of this Consent Decree will avoid prolonged and complicated litigation between the United States and Ford, and that this Consent Decree is fair, reasonable, and in the public interest;

NOW, THEREFORE, it is hereby ORDERED AND DECREED as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction of the subject matter of this action and the parties pursuant to 28 U.S.C. §§ 1331, 1345, 1355, and Title II of the Clean Air Act, 42 U.S.C. §§ 7521-7590. Venue in this District is proper.

II. DEFINITIONS

2. Unless specifically defined in this section or elsewhere in this Consent Decree, terms used herein shall have the meanings currently set forth in Sections 216 and 302 of the Act, 42 U.S.C. §§ 7550 and 7602, and any regulations promulgated under Title II of the Act, 42 U.S.C. §§ 7521-7590.

3. "Act" means the Clean Air Act, as amended, 42 U.S.C. §§ 7401 *et seq.*

4. "California" means the State of California.

5. "California Econoline van" means those Econoline vans certified to California emission standards and registered in the State of California.

6. "CARB" means the California Air Resources Board.

7. "Certificate of Conformity" means a certificate issued by the U.S. Environmental Protection Agency pursuant to Section 206 of the Act, 42 U.S.C. § 7525.

8. "Consent Decree" or "Decree" means this Consent Decree.

9. "Day" means a calendar day. In computing any period of time under this Consent Decree, where the last day would fall on a Saturday, Sunday, or Federal Holiday, the period shall run until the close of business of the next working day.

10. "EPA" means the United States Environmental Protection Agency.

11. "Econoline vans" means vehicles in engine families VFM5.468GF EK, VFM5.4J8G1EK, and VFM6.8J8G1EK, and vehicles containing engines from engine families VFM5.4W8G1EK, VFM5.4B8GAEA, VFM6.8B8GAEA, VFM6.8C8GAEA, and VFM6.8W8G1EK manufactured up to March 21, 1997.

12. "Escorts" means vehicles in engine families MFM1.9V5FAF9, NFM1.9V5FCF3, PFM1.9V5FCF5, RFM1.9V8GF EA, SFM1.9V8GF EA, MFM1.9V5FAC6, NFM1.9V5FCC0, PFM1.9V5FCC2, RFM1.9V8G2EA, and SFM1.9V8G2EA.

13. "Ford" means Ford Motor Company.

14. "Interest" means interest at the rate specified for debts owed to departments or agencies of the United States pursuant to 31 U.S.C. § 3717.

15. "MFA" means managed fuel air enleanment strategy installed on 1997 Econoline vans.

16. "MPG" refers to the managed fuel air enleanment strategy used on the Escorts.

17. "MY" means model year as defined in 40 C.F.R. § 86.082-2.

18. "Paragraph" means a portion of this Consent Decree identified by an arabic numeral.

19. "Recalibrate" or "Recalibration" means to render inactive the MFA strategy on 1997 Econoline vans.

20. "Section" shall mean a portion of this Consent Decree identified by a roman numeral.

21. "SEPs" means supplemental environmental projects.

22. "United States" means the United States of America.

III. APPLICABILITY

23. This Consent Decree applies to and is binding upon the United States, and upon Ford, its employees, contractors, agents, successors, and assigns. Any change in Ford's ownership or corporate status shall in no way alter Ford's responsibilities under this Consent Decree. In any action to enforce this Consent Decree, Ford shall not raise as a defense the failure of its officers, directors, agents, servants, contractors, or employees to take actions necessary to comply with the provisions hereof.

IV. FACTUAL BACKGROUND

24. Ford has manufactured and sold, offered for sale, or introduced or delivered for introduction into commerce in the United States new motor vehicles and new motor vehicle engines, including MY 1997 Econoline vans and 1991-1995 MY 1.9 liter Escorts.

25. Each certificate of conformity issued to Ford by EPA during the time period relevant to the claims alleged in the Complaint provides that the certificate covers only those new motor vehicles or new motor vehicle engines which conform in all material respects to the vehicle or engine design specifications provided to EPA in the certificate application for such vehicle or engine; except that each certificate of conformity issued by EPA for vehicles or engines that Ford proposed or proposes to sell only in California, or other states that have adopted the California emission standards, provides that the certificate covers only those new motor vehicles or new motor vehicle engines which conform, in all material respects, to the

vehicle or engine design specifications described in the application submitted to the California Air Resources Board.

26. In 1996, Ford introduced certain MY 1997 Econoline vans, which employed MFA, an enrichment calibration to the fueling strategy. The United States alleges in its Complaint that the MFA has a principal effect of rendering inoperative a portion of the emission control system, that the MFA was not identified or justified in the certificate applications submitted to EPA, that the MFA is a defeat device in violation of Section 203(a)(3)(B) of the Act, and that the sale of such vehicles was in violation of Section 203(a)(1) of the Act.

27. In 1990, Ford employed MPG in all MY 1991 Escorts, which introduced an enrichment calibration to the fueling strategy. MPG was carried over into MY 1992, 1993, 1994 and 1995. The United States alleges in its complaint that MPG was not identified or justified in the certificate applications submitted to EPA, in violation of the reporting requirements of Section 203(a)(2) of the Act.

28. Ford denies the material allegations of the Complaint and denies that it has violated the Act or failed to comply with EPA's regulations as alleged in the Complaint.

V. OBJECTIVES

29. The objectives of this Consent Decree are to achieve a mutually satisfactory resolution of the matters raised in the Complaint, by (a) implementing a recall to render inactive the MFA strategy on Econoline vans; (b) reducing levels of pollutants through the remedial emissions reduction program; and (c) resolving the United States' claims for civil penalties and injunctive relief as set forth in paragraph 77.

VI. REMEDIAL ACTIONS

A. Recall

30. For those vehicles that are not California Econoline vans, Ford shall implement a recall to recalibrate the Econoline vans in order to render inactive the MFA. To accomplish this, Ford shall submit to the United States for EPA review and approval a plan or plans to conduct a recall with respect to the subject Econoline vans. Such plan shall be submitted within 30 days of the entry of this Consent Decree. The recall plan shall include:

- a. A description of the vehicles to receive the recalibration;
- b. A description of the method by which Ford will determine the names and addresses of vehicle owners;
- c. A description of the procedure to be followed by vehicle owners to have the recalibration performed. This shall include a statement of the time reasonably necessary to perform the task, and the designation of facilities at which the work can occur;
- d. If any vehicles are to be recalibrated by persons other than dealers or authorized warranty agents of the manufacturer, a description of the class of persons other than dealers and authorized warranty agents of the manufacturer who will remedy the vehicles, and a statement indicating that the participating members of the class will be properly qualified and equipped to perform such recalibration and will comply with the provisions of this Consent Decree;
- e. Copies of the letters of notification to be sent to vehicle owners;
- f. A copy of all necessary instructions to be sent to those persons who are to perform the recalibration; and

g. A description of the impact of the proposed changes on fuel consumption, safety, and driveability of each class or category of vehicles to be recalled and a statement of the data, technical studies, and/or engineering evaluations performed which support these conclusions.

31. EPA shall provide Ford with notice of approval or disapproval of the recall plan. If the plan is disapproved, EPA shall provide the reasons for disapproval, and Ford shall have 30 days to submit a revised recall plan for approval. If the revised recall plan is not approvable, EPA may modify the plan. The approved or modified plan is subject to enforcement under this Consent Decree. Any disagreements between Ford and EPA regarding the recall plan shall be resolved through the dispute resolution provisions in Section XI of this Consent Decree.

32. Upon receipt of EPA's approval of the recall plan, Ford shall notify vehicle owners by mailing, first class mail, the approved letters of notification required under paragraph 30.e of this Consent Decree.

33. The notification to vehicle owners shall contain the following information, consistent with the plan as approved by EPA:

a. The statement: "The Administrator of the U.S. Environmental Protection Agency has determined that certain MY 1997 Ford Econoline vans do not comply with the requirements of the Clean Air Act. These requirements were enacted to protect public health and welfare. Certain modifications are required to reduce emissions of oxides of nitrogen from your vehicle. EPA and Ford strongly encourage you to bring your car to a dealer to perform the modification."

b. A statement of the effect of recalibration on fuel consumption, safety, and driveability consistent with information provided to the United States pursuant to paragraph 30(g).

c. A statement that the vehicles will be recalibrated at Ford's expense and at the vehicle owner's convenience;

d. A general statement of the measures to be taken to implement the recalibration;

e. A description of the procedure which the vehicle owner should follow to obtain the necessary service. This shall include an estimate of the time reasonably necessary to perform the labor required to recalibrate the system and the designation of facilities at which the service can be obtained;

f. A card to be used by a vehicle owner in the event the vehicle to be recalled has been sold, retired, or otherwise removed from service. Such card should be addressed to the manufacturer with postage prepaid, and shall provide a space for the owner to indicate the name and address of the person to whom the vehicle was sold.

34. Ford shall take appropriate steps to locate vehicle owners, including obtaining motor vehicle registration lists as available from State or commercial sources, if necessary, to ensure an effective notification.

35. EPA may require Ford to send a subsequent notification to vehicle owners by first class mail.

36. Ford shall send to the United States a copy of all communications which relate to the recall plan directed to dealers and other persons who are to perform the repair

under the recall plan. Such copies shall be mailed to the United States contemporaneously with their transmission to dealers and other persons who are to perform the repair under the recall plan.

37. As part of the quarterly progress reports required under paragraph 83 of this Consent Decree, Ford shall submit reports to the United States specifying number of vehicles with MFA, and the number of vehicles recalibrated from either the recall or from the "special service instruction" ("SSI") issued to dealers in 1997.

38. Ford shall provide for the establishment and maintenance of records in a form suitable for inspection, such as computer information storage devices or card files, and which shall be made available to EPA upon request, information regarding the implementation of the recall and recalibration efforts, including:

- a. the recall number as designated by Ford;
- b. a list of names and addresses of vehicle owners to whom notification was given;
- c. date of owner notification(s); and
- d. the identification of vehicles receiving recalibration under the recall plan.

39. The records required by this section shall be retained for a period of no less than five years following the termination of this Consent Decree pursuant to Section XIII of this Consent Decree.

40. With respect to the California Econoline vans, Ford shall commence the recall in the manner specified in paragraphs 30 through 39 unless, prior to or within 180 days

of the entry of this Decree, Ford has reached agreement with CARB to conduct a CARB-approved recall under Article 2.1 of Title 13, California Code of Regulations, to ensure recalibration of the California Econoline vans.

41. Ford's implementation of the recall agreed to, approved by, or ordered by CARB under its authority pursuant to Article 2.1, California Code of Regulations, will serve as full satisfaction of its recall obligations under this Decree regarding the California Econoline vans.

B. Remedial Emissions Reduction Program

42. Ford shall reduce NOx emissions by 2,500 tons by securing and retiring 2,500 tons of NOx credits from mobile or stationary sources within the contiguous United States, within 30 days of the entry of this Consent Decree. Ford shall take all steps necessary to permanently retire these tons.

43. If Ford fails to achieve a 70% success rate in recalibrating the Econoline vans, it shall retire NOx emissions in the following manner: for each percentage point under 70%, Ford shall retire 50 tons of NOx credits by securing and retiring 50 tons of NOx credits from mobile or stationary sources within the contiguous United States. These credits shall be retired within 45 days of submission of the final report required to be submitted to the United States pursuant to paragraph 37 of this Consent Decree. Ford shall take all steps necessary to permanently retire these tons.

44. Ford shall submit a report to the United States within 45 days of the entry of this Consent Decree stating whether it has met the requirements of paragraph 42 of this Consent Decree. Ford shall submit a report to the United States within 45 days of the end of

six quarters stating whether it has met the requirements of paragraph 43 of this Consent Decree.

C. Future Actions

45. Ford agrees that it will not use an enleanment strategy in the future without obtaining a Certificate of Conformity pursuant to Section 206 of the Act, based on an application that fully complies with the AECD reporting requirements of the Act and the regulations promulgated thereunder.

VII. CIVIL PENALTY

46. Ford shall pay to the United States \$2,500,000.00 in civil penalties within thirty (30) days of entry of this Consent Decree. Late payment of the civil penalty is subject to interest and fees as specified in 31 U.S.C. §3717.

47. Payment shall be made by Electronic Funds Transfers by 4:00 p.m. Eastern Time on or before the due date to the Department of Justice lockbox bank in accordance with specific instructions to be provided to Ford upon entry of this Consent Decree and shall reference Department of Justice Case No. 90-5-2-1-2195 and the civil action number of this matter. Ford shall transmit notice of such payments to the United States.

48. Penalty payments made pursuant to Paragraph 46 of this Consent Decree are civil penalties within the meaning of the Internal Revenue Code, 26 U.S.C. § 162(f) and are not tax deductible for the purposes of Federal Law.

VIII. SUPPLEMENTAL ENVIRONMENTAL PROJECTS

49. In addition to the civil penalty required in Section VII, within 30 days of the entry of this Consent Decree, Ford shall establish a SEP fund of \$1,500,000.00 in an

interest-bearing escrow account, and shall implement the projects described in paragraph 50 using the full amount (principal and interest) of that escrow account.

50. Ford shall provide a number of natural gas shuttle vans and a natural gas refueling station that will service the natural gas shuttle vans to at least two airports within the contiguous United States, at no cost to the recipient, to be used for transportation from off-site airport parking to the airport terminal.

51. Within 90 days of entry of this Consent Decree, Ford shall submit to the United States for EPA review and approval a plan to implement the SEP. The SEP plan shall contain a detailed description of the program, including:

- a. the expected reductions in the emission of air pollutants;
- b. the cost, excluding Ford's administrative expenses, of: (i) the refueling station; and (ii) either the cost to Ford of the vehicles, or an attestation that, in expending the amount specified in paragraph 49, Ford has valued each vehicle at its cost; and
- c. the expected time frames for commencing and completing projects, which time for completion shall not be later than June 30, 2000.

Each date for commencement of a SEP project included in the SEP plan shall be the earliest practicable date, given the nature of the project, for commencement of the project after EPA approval of the SEP plan.

52. EPA shall review and approve or disapprove the proposed SEP plan. If the SEP plan is disapproved, EPA shall provide an explanation as to why it is being disapproved along with modifications to the plan. Ford shall have 30 days to revise its SEP plan to

incorporate those modifications or to request that the matter be resolved through the dispute resolution provisions in Section XI of this Consent Decree.

53. Any modification to the SEP plan subsequent to its approval by EPA must receive the written consent of both parties.

54. The projects shall be completed consistent with the schedule set out in the SEP plans approved pursuant to Paragraph 52 of this Consent Decree, but in no event shall completion of any program be scheduled to occur after June 30, 2000.

55. Ford shall not use or rely on the emission reductions generated as a result of projects undertaken pursuant to the SEP plan in any Federal or State emission averaging, banking, trading, or other emission compliance program.

56. Ford shall: (1) allow EPA access, at reasonable times and with reasonable advance notice, to any Ford facilities where SEPs are being implemented pursuant to this Consent Decree; and (2) respond to reasonable requests by EPA for information on the implementation of such SEPs.

57. Ford shall maintain legible copies of documentation underlying research and data for all documents submitted to the United States pursuant to the approved SEP plan until termination of this Consent Decree pursuant to Section XIII, and Ford shall provide the documentation of any such underlying research and data to the United States within fifteen days of a request for such information. For purposes of paragraph 51.b, Ford may provide cost information or the attestation provided for in that paragraph. Ford shall not be required to provide specific per vehicle cost data.

58. Ford shall submit to the United States a SEP completion report with respect to each project in the approved plan within 90 days of completion of the project. Each completion report shall identify the completed project, describe the results achieved in implementing the approved SEP plan, estimate the reductions in the emission of air pollutants achieved by the project, and describe funding of the project, including a break-out of administrative and other costs not directly related to reducing the emission of air pollutants.

59. In any pre-prepared written materials intended for public dissemination and any pre-prepared broadcast announcements made by Ford in reference to any SEP undertaken pursuant to this Consent Decree, Ford shall state in a prominent manner that the program is being undertaken as part of the settlement of an enforcement action brought by the United States on behalf of EPA. In addition, Ford shall make best efforts to include this statement in other public announcements regarding the SEP.

IX. STIPULATED PENALTIES

60. Ford shall pay stipulated penalties to the United States for Ford's failure to comply with the terms of this Consent Decree as follows:

- a. for failure to commence the recall plan by the date specified in the approved recall plan of Section VI.A, \$2,500 per day.
- b. for delay in the purchase of NOx credits requirements of paragraphs 42 and 43, \$5 per ton, per day.
- c. for failure to pay the civil penalty in paragraph 46 on the date specified, \$2,500 per day.

d. for failure to submit a SEP plan pursuant to paragraph 51, \$2,500 per day.

e. for failure to implement the approved SEP plan within the time limits of the approved plan, \$2,500 per day.

f. for failure to submit a quarterly report within the time required by Section XII.F, \$500 per day.

61. Stipulated penalties are not the United States' exclusive remedy for Ford's violation of this Consent Decree. The United States reserves the right to pursue any other remedies to which it is entitled, including, but not limited to, additional injunctive relief for Ford's violations of the Consent Decree or the Act.

62. All Stipulated Penalties shall begin to accrue on the day after performance is due or the day a violation occurs, and shall continue to accrue until the day compliance is achieved. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Consent Decree.

63. Ford shall pay stipulated penalties upon written demand by the United States within 30 days after Ford receives such demand, or if the dispute resolution provisions of Section XI are invoked and Ford is determined to be liable at the conclusion of that process, Ford shall pay stipulated penalties within 30 days after completion of the Section XI dispute resolution process. Stipulated penalties shall be paid by cashier's or certified check, payable to the "Treasurer, United States of America," and sent to the United States Attorney for the District of Columbia, Judiciary Center Building, 555 Fourth Street, N.W., Washington, D.C.

20001, referencing the civil action number of this matter. A copy of the transmittal letter and check shall be sent to the United States.

64. Stipulated penalties shall continue to accrue during any dispute resolution process. If Ford disputes its obligation to pay part or all of a stipulated penalty, it shall place the disputed amount demanded by the United States in a commercial escrow account pending resolution of the matter and request that the matter be resolved through the dispute resolution provisions in Section XI of this Consent Decree. In the event that the Court resolves the dispute in Ford's favor, the escrowed amount plus accrued interest shall be returned to Ford.

X. FORCE MAJEURE

65. A force majeure event is an event resulting from circumstances beyond the control of Ford or any entity controlled by Ford that causes or may cause a delay in compliance with any provision of this Consent Decree. If a force majeure event occurs, Ford shall notify the United States in writing as soon as practicable, but in any event within 30 days of when Ford first knew of the event or should have known of the event by the exercise of due diligence. In this notice Ford shall specifically invoke the force majeure provisions of this Consent Decree and describe the anticipated length of time the delay may persist, the cause or causes of the delay, and the measures taken or to be taken by Ford to prevent or minimize the delay and the schedule by which those measures will be implemented. Ford shall adopt all reasonable measures to avoid or minimize such delays.

66. Failure to comply with the notice provisions of paragraph 65 shall render Ford's force majeure rights voidable as to the specific event for which Ford has failed to comply with such notice requirement, and, if voided, such rights shall be of no effect as to the

particular event involved. All issues between the parties respecting the timeliness or adequacy of the notice required by this Section are subject to the dispute resolution provisions in Section XI of this Decree.

67. The United States shall notify Ford in writing of its agreement or disagreement with Ford's claim of a delay or impediment to performance within 30 days of receipt of the force majeure notice required by this Section. If the United States agrees, the parties shall stipulate to an extension of the particular compliance requirement(s) affected by the delay. Such stipulation shall be submitted as a modification to this Consent Decree pursuant to the modification procedures established in this Consent Decree. Ford shall not be liable for stipulated penalties for the period of any such delay.

68. If the United States does not agree with Ford's claim of a delay or impediment to performance, either party may submit the matter to the Court for resolution through the dispute resolution provisions in Section XI of this Decree. If the Court determines that the violation has been or will be caused by circumstances beyond the control of Ford or any entity controlled by Ford, including its contractors, Ford shall be excused as to that violation and delay (including stipulated penalties for that period).

69. In any dispute before the Court pursuant to the dispute resolution provisions of Section XI of this Decree, Ford shall bear the burden of proving the existence and duration of the claimed force majeure. An extension of the compliance date based on a particular event only shall result in extension of subsequent compliance dates to the extent that the delay in subsequent compliance is caused by the delay resulting from the force majeure event.

70. Unanticipated or increased costs or expenses associated with the performance of Ford's obligations under this Decree, in and of themselves, do not constitute force majeure events.

XI. DISPUTE RESOLUTION

71. The dispute resolution procedures provided by this section shall be available to resolve all disputes arising under this Consent Decree, provided that the party making such application has made a good faith attempt to resolve the matter with the other party.

72. The dispute resolution procedure required herein is invoked upon written notice by one of the parties to this Decree to the other advising of a dispute pursuant to this Section. The notice shall describe the nature of the dispute, and shall state the noticing party's position with regard to such dispute. The party receiving such a notice shall acknowledge receipt of the notice and the parties shall expeditiously schedule a meeting, to occur not later than seven days from the receipt of such notice, to discuss the dispute informally in accordance with this Section.

73. Disputes submitted to dispute resolution shall, in the first instance, be the subject of informal negotiations between the parties. Such period of informal negotiations shall not extend beyond 30 calendar days from the date of the first meeting between representatives of the United States and Ford, unless the parties' representatives agree to extend this period.

74. In the event that the parties are unable to reach agreement during the informal negotiation period, either party may file with the Court a petition which describes the

nature of the dispute. The other party shall respond to the petition within 30 calendar days of filing. Where the nature of the dispute is such that a more timely resolution of the issue is required, the time periods set out in this section may be shortened upon mutual agreement by the parties to the dispute. Additionally, if mutual agreement cannot be achieved, the notice and informal negotiation periods set out in this section may be shortened upon notice of one of the parties. In such event the response date shall be as provided by Federal Rules of Civil Procedure or as provided by the Court.

75. As part of the resolution of any dispute submitted to dispute resolution, the parties may ask the Court to extend or modify the schedule for meeting any deadlines under this Consent Decree, the approved remedial plan, or the approved emission remedial project to account for the delay that occurred as a result of dispute resolution.

XII. GENERAL PROVISIONS

A. Effect of Settlement

76. Compliance with the terms of this Consent Decree does not guarantee compliance or excuse noncompliance with any applicable Federal, State or local law or regulation, except as set forth below.

77. Satisfaction of all of the requirements of this Consent Decree constitutes full settlement of and shall resolve all civil liability of Ford to the United States for all civil violations of Section 203 of the Act based on the facts described in the Complaint.

78. Ford is obligated to complete any provision of this Consent Decree that requires performance after lodging but prior to the entry of this Consent Decree, and Ford

shall be liable for stipulated penalties pursuant to Section IX for failure to meet any such requirements by the date specified therein as if the Consent Decree had been entered.

B. Third Parties

79. This Consent Decree does not limit, enlarge or affect the rights of any party to the Consent Decree as against any third parties.

C. Costs

80. Each party to this action shall bear its own costs and attorneys' fees.

D. Public Documents

81. All information and documents submitted by Ford to the United States pursuant to this Consent Decree shall be subject to public inspection, unless identified and supported as confidential business information by Ford in accordance with 40 C.F.R. Part 2.

E. Public Comment

82. The Parties agree and acknowledge that final approval of the United States and entry of this Consent Decree are subject to the requirements of 28 C.F.R. § 50.7, which requires that notice of this proposed Consent Decree be published in the Federal Register and the public be given an opportunity to comment thereon and have comments considered by the United States before a proposed Consent Decree is entered. The United States reserves the right to withdraw or withhold its consent on the basis of such comments. Ford consents to the entry of this Consent Decree without further notice.

F. Reports, Submissions, Notices, Communications

83. In addition to any other requirement of this Consent Decree, Ford shall submit to the United States written quarterly progress reports that: (a) describe the actions

which have been taken toward achieving compliance with this Consent Decree during the previous quarter; (b) describe all actions including, but not limited to, actions relating to implementation of the recall plan, the SEP plan, and the offset project, which are scheduled for the next six quarters; and (c) include the current recall recapture rate. Ford shall submit an initial progress report to the United States within 45 days of the close of the quarter during which this Consent Decree is entered and within 45 days of the close of each quarter thereafter, through and including the quarter in which this Consent Decree is terminated pursuant to Section XIII of this Consent Decree. If requested by EPA, Ford shall provide briefings for EPA to discuss the progress of implementation of this Consent Decree.

84. Each submission, report, and plan required by this Consent Decree shall be accompanied by a transmittal letter referencing the appropriate paragraph of this Consent Decree or the appropriate portion of an applicable plan. Ford shall, through a duly authorized representative having knowledge of the report's or submission's contents, sign and certify under 28 U.S.C. § 1746 that:

"To the best of my knowledge, after thorough investigation, I certify that the information contained in or accompanying this submission is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Ford shall not object to the admissibility in evidence of any such reports in any proceeding to enforce this Consent Decree as long as proper precautions are taken to protect proprietary and confidential information.

85. Compliance with the reporting and notification requirements of this Consent Decree shall not relieve Ford of its obligation to comply with any other reporting and notifica-

tion requirements imposed by any applicable federal, state, or local laws, regulations, or permits.

86. Unless otherwise provided herein, reports, submissions, notifications to, or communications with the United States or Ford shall be deemed submitted on the date they are postmarked and sent by first class mail, overnight receipt mail service, or by certified or registered mail, return receipt requested. Except as otherwise provided herein, when written notification to or communication with the United States or Ford is required by the terms of this Consent Decree, it shall be addressed as follows:

As to the United States:

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, D.C. 20044
DOJ #: 90-5-2-1-2195

and

Director, Air Enforcement Division
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency (2242A)
401 M Street, S.W.
Washington, D.C. 20460

As to Ford Motor Company:

Kelly Brown
Director, Vehicle Environmental Engineering
Ford Motor Company
17225 Federal Drive, Suite 145
Allen Park, MI 48101

and

William F. Canever
Counsel, Office of the General Counsel
Parklane Towers East, Suite 728
One Parklane Boulevard
Dearborn, MI 48126-2493

87. Any party may change the address for providing notices to it by serving all other addressees identified above with a notice setting forth such new address.

G. Modification

88. There shall be no modification of this Consent Decree without written approval by both parties to this Consent Decree and Order of the Court.

H. Continuing Jurisdiction

89. The Court retains jurisdiction of this case after entry of this Consent Decree to enforce compliance with the terms and conditions of this Consent Decree and to take any action necessary or appropriate for its interpretation, construction, execution, or modification. Any party may apply to the Court for any relief necessary to construe or effectuate this Consent Decree.

I. Other Laws

90. This Consent Decree does not pertain to any matters other than those expressly specified in Paragraph 77 of this Decree. Nothing in this Consent Decree shall relieve Ford of its obligation to comply with applicable Federal, State and local laws and regulations, and this Consent Decree does not release the liability, if any, of any person or entity for any civil claims other than the civil claims referred to in Paragraph 77, or for any criminal claims.

XIII. TERMINATION

91. This Consent Decree may terminate upon further order of this Court after Ford certifies that it has (a) paid in full the civil penalties and any accrued interest imposed by this Consent Decree; (b) paid in full any stipulated penalties imposed by this Consent Decree; and (c) completed all other requirements of this Consent Decree. If the United States does not dispute Ford's certification, then the parties shall, within 90 days, jointly petition the Court for termination of this Consent Decree. If the United States disputes Ford's certification, then the parties shall, within 30 days of certification, enter dispute resolution under Section XI.

The Parties, by their undersigned representatives, enter into this Consent Decree in United States v. Ford Motor Company

FOR PLAINTIFF, THE UNITED STATES OF AMERICA:



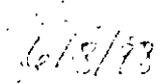
LOIS J. SCHIFFER
Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice
10th & Pennsylvania Avenue, N.W.
Washington, D.C. 20530



Date



LYNN DODGE
Senior Counsel
Environment and Natural Resources Division
U.S. Department of Justice
1425 New York Avenue, N.W.
Washington, D.C. 20005



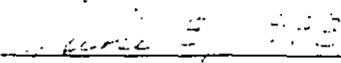
Date

WILMA A. LEWIS
United States Attorney
District of Columbia

Date



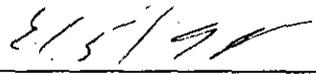
MARK NAGLE (Bar No. 416364)
DARA CORRIGAN (Bar No. 437693)
Assistant United States Attorneys
Judiciary Center Building
555 Fourth Street, N.W.
Washington, D.C. 20001
(202) 514-7700



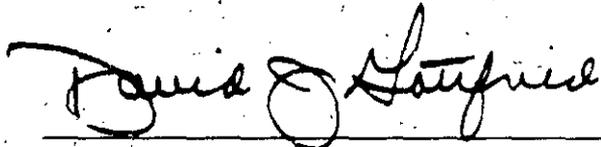
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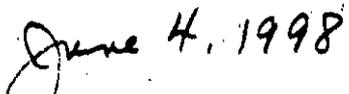
STEVEN A. HERMAN
Assistant Administrator
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460



Date

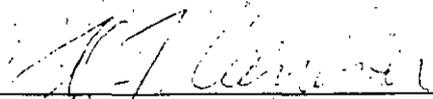


DAVID J. GOTTFRIED (Bar No. 420801)
Attorney-Advisor
Air Enforcement Division
Office of Regulatory Enforcement
U.S. Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460



Date

FOR DEFENDANT, FORD MOTOR COMPANY:



WILLIAM F. CANEVER
Counsel, Office of the General Counsel
Parklane Towers East, Suite 728
One Parklane Boulevard,
Dearborn, MI 48126-2493

5-28-98
Date

IT IS SO ORDERED AND ENTERED in accordance with the foregoing this ___ day of
_____, 1998.

United States District Judge

ford.cd.5.27.98