

**UNITED STATES DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION**

1200 New Jersey Avenue, SE
West Building, W41-326
Washington, DC 20590

In re:)
)
FCA US LLC)
AQ14-003 (Recall Nos. 13V-528 and 13V-529))
NHTSA Recall Nos. 13V-038, 13V-252,)
13V-527, 14V-154, 14V-373, 14V-391,)
14V-438, 14V-567, 14V-634, 14V-635,)
14V-749, 14V-795, 14V-796; 14V-817¹,)
15V-041, 15V-046, 15V-090, 15V-114,)
15V-115, 15V-178 and 15V-290)

AMENDMENT TO JULY 24, 2015 CONSENT ORDER

This Amendment to the July 24, 2015 Consent Order (“Amendment”) is issued pursuant to the authority of the National Highway Traffic Safety Administration (“NHTSA”), an operating administration of the U.S. Department of Transportation, to resolve, mitigate, and control risks of harm, and to promote safety. This Amendment is entered by the parties under Paragraph 51 of the July 24, 2015 Consent Order between NHTSA and FCA US LLC and all of its subsidiary companies (collectively, “FCA US”) for the purpose of amending the terms of that Consent Order. This Amendment sets forth additional requirements and performance obligations of FCA US in connection with FCA US’s violations of the early warning reporting requirements, 49 C.F.R. Part 579, Subpart C, under the terms and conditions incorporated herein.

I. BASIS FOR AMENDMENT

1. As required by the Transportation Recall Enhancement, Accountability, and Documentation (“TREAD”) Act, NHTSA established early warning reporting (“EWR”) requirements for vehicle manufacturers. 49 U.S.C. § 30166(m); 49 C.F.R. Part 579, Subpart C.

¹ This recall has been superseded by NHTSA Recall No. 15V-313.

2. “[A] manufacturer whose aggregate number of light vehicles manufactured... is 5,000 or more” must submit comprehensive quarterly reports containing the information specified in 49 C.F.R. § 579.21. This includes production numbers, *id.* § 579.21(a); information on incidents involving death or injury, *id.* § 579.21(b); number of property damage claims, consumer complaints, warranty claims, and field reports, *id.* § 579.21(c); and copies of field reports, *id.* § 579.21(d).

3. A person who violates NHTSA’s early warning reporting regulation is liable to the United States for daily civil penalties. *See* 49 U.S.C. § 30166(m); 49 U.S.C. § 30165(a)(3). Effective December 27, 2012, the maximum civil penalty increased from \$6,000 to \$7,000 per day. Final Rule, 77 FED. REG. 70,710, 70,713 (Nov. 27, 2012) (codified at 49 C.F.R. 578.6(a)(3)).

4. FCA US violated the TREAD Act reporting requirements by failing to submit early warning information required by 49 C.F.R. § 579.21.

A. FCA US failed to report certain death and injury incidents that were required to be reported to NHTSA under 49 C.F.R. § 579.21(b). Specifically, FCA US acknowledges that it did not report these death and injury incidents, in large part, because: (1) FCA US failed to report certain incidents due to coding problems in its EWR system that failed to recognize when reportable information was received or updated and, as a result, failed to report certain incidents to NHTSA; and (2) FCA US did not update its EWR system to reflect new FCA US brands.

B. FCA US failed to report certain aggregate data that were required to be reported to NHTSA under 49 C.F.R. § 579.21(c), including property damage claims, customer complaints, warranty claims, and field reports. FCA US also failed to provide copies of certain

field reports to NHTSA, as required by 49 C.F.R. § 579.21(d). These failures were also due to coding problems in FCA US' EWR system that failed to recognize reportable information.

5. NHTSA issues this Amendment pursuant to Paragraph 51 of the July 24, 2015 Consent Order and its authority under the Safety Act, 49 U.S.C. § 30101, *et seq.*, as delegated by the Secretary of Transportation, 49 C.F.R. §§ 1.95, 501.2(a)(1), to compromise the amount of civil penalties, 49 U.S.C. § 30165(b), and to require manufacturers to report information, 49 U.S.C. § 30166(m)(3)(C) and 49 C.F.R. § 579.28(l). It is AGREED by FCA US and ORDERED by NHTSA as follows:

II. TERMS AND CONDITIONS OF AMENDMENT

Admissions of Violations of the TREAD Act

6. FCA US admits that it violated 49 C.F.R. Part 579, Subpart C by failing to submit early warning reports that comply with the requirements of 49 C.F.R. § 579.21(b), (c), and (d). Specifically, while the complete scope of the non-reporting is the subject of an ongoing third-party audit, FCA US admits that these violations are significant and date back to the inception of the early warning reporting requirements in 2003.

Additional Civil Penalty

7. FCA US shall pay a civil penalty in the sum of seventy million dollars (\$70,000,000) ("Additional Civil Penalty") for failing to submit death and injury reports and for failing to submit certain aggregate data and copies of field reports as required by NHTSA's early warning reporting requirements. The Additional Civil Penalty shall be paid in accordance with the instructions provided in Paragraph 8 below.

8. FCA US shall pay the Additional Civil Penalty in one lump-sum payment by electronic funds transfer to the U.S. Treasury, in accordance with the instructions provided by NHTSA, no later than 30 calendar days following execution of this Amendment.

Additional Performance Obligations

9. No later than 180 calendar days after execution of this Amendment, FCA US shall provide NHTSA's Early Warning Division the information required to retroactively populate the TREAD database with the death and injury reports described in Paragraph 4.A. above that FCA US failed to report. This deadline may be extended by 30 calendar days by NHTSA in its sole discretion and for good cause shown, without requiring a subsequent amendment of the July 24, 2015 Consent Order.

10. No later than 240 calendar days after execution of this Amendment, FCA US shall provide NHTSA's Early Warning Division the information required to retroactively populate the TREAD database with the aggregate data and to provide the copies of field reports described in Paragraph 4.B. above that FCA US failed to report. This deadline may be extended by 30 days by NHTSA in its sole discretion and for good cause shown, without requiring a subsequent amendment of the July 24, 2015 Consent Order. FCA US shall submit the information required in Paragraphs 9 and 10 in the manner specified in 49 C.F.R. § 579.29 and in accordance with any guidance provided to FCA US by NHTSA's Early Warning Division for making such retroactive reports.

11. No later than 30 calendar days after completion of ongoing third-party audit of FCA US' reporting under 49 C.F.R. Part 579, FCA US shall submit to NHTSA a report detailing the findings of the audit that will be made publicly available. FCA US agrees the audit report required in this Paragraph shall be publicly available. FCA US shall not claim any portion of the

report is: (1) subject to attorney-client privilege or attorney work product; or (2) confidential business information and not subject to public disclosure by NHTSA.

12. The Independent Monitor shall, in accordance with the duties set forth in Paragraph 42 of the Consent Order, review and assess FCA US's compliance with the Safety Act's EWR requirements and the terms of this Amendment.

Miscellaneous

13. All provisions of the July 24, 2015 Consent Order remain in full effect and are applicable to this Amendment.

14. Upon receipt of the payment set forth in Paragraph 7 above, the Secretary of Transportation, by and through the Administrator of NHTSA, releases FCA US, including its current and former directors, officers, employees, agents, parents, subsidiaries, affiliates, successors, and assigns from liability for civil penalties pursuant to 49 U.S.C. § 30165 in connection with any and all violations of FCA US's TREAD Act reporting obligations, to include FCA US's retroactive reports required by Paragraphs 9 and 10, from the inception of the TREAD Act through the execution date of this Amendment.

15. Each party has authorized the undersigned to execute this Amendment on its behalf.

[SIGNATURE PAGES FOLLOW]

APPROVED AND SO ORDERED:

NATIONAL HIGHWAY TRAFFIC SAFETY
ADMINISTRATION,
U.S. DEPARTMENT OF TRANSPORTATION

Dated: December 8, 2015

By: // ORIGINAL SIGNED BY //

Mark R. Rosekind, Ph.D.
Administrator

Dated: December 8, 2015

By: 

Paul A. Hemmersbaugh
Chief Counsel

Dated: December 8, 2015

By: 

Timothy H. Goodman
Assistant Chief Counsel
for Litigation and Enforcement

Dated: December 8, 2015

By: 

Justine S. Casselle
Trial Attorney

Dated: December 8, 2015

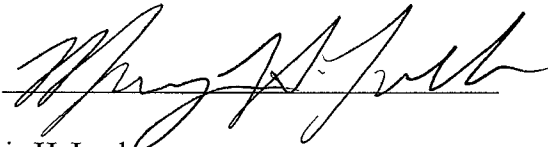
By: 

Kerry E. Kolodziej
Senior Trial Attorney

AGREED:

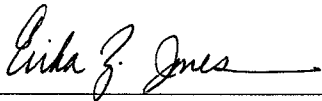
FCA US LLC

Dated: December 8, 2015

By: 

Marjorie H. Loeb
Senior Vice President, General Counsel

Dated: December 8, 2015

By: 

Erika Z. Jones
Mayer Brown LLP
Counsel for FCA US LLC