



EUROPEAN COMMISSION

Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

Industrial Transformation and Advanced Value Chains
Automotive and Mobility Industries

Meeting record

Date of meeting	27.04.2016
Place of meeting (<i>DG GROW premises, other DG premises, stakeholder premises..</i>)	DG GROW premises
Stakeholder(s)	Volkswagen
Representative(s) of stakeholder(s)	[REDACTED], [REDACTED]
DG GROW representatives	Gwen Cozigou (GC), [REDACTED] [REDACTED]
Representatives of other DGs	-

P1: Update on the recall of VW vehicles ordered by KBA on the European Union territory.

Concerning the recall of vehicles ordered by KBA, [REDACTED] replied that technically there is no problem to fix all non-US euro 5 vehicles (this is not the case in US because the legislation is different and this also explains the different consumer compensation policy, see next point). VW is proceeding in Germany, with a little delay due to the wide variety of vehicle versions (different gear boxes, power curves, etc.). The initial plan to complete the recall campaign within fall 2016 (600 000 vehicles) has now been updated to finish by end of 2016 (or even beginning of 2017) as far as the EU is concerned.

P2: What is the plan of the [REDACTED] of VW group to restore the proper functioning of the diesel vehicle fleet and for the future?

- [REDACTED] declared that his responsibility in VW is to create the future, not to "clean up the past". On this basis he provided an overview of his vision of the VW future transport strategy.

P3: What is your understanding/opinion on VW's plan to financially compensate their customers around the world?

On this point [REDACTED] made a clear distinction between the US case and the rest of the world, for two reasons.

- Technically, it is much more complex, if not impossible, to restore the US vehicles without impacting either the performance and/or the CO2 emissions. This is due to the different legislation in US, based on the bin approach and fleet average compliance, which makes it impossible to fix the problem by intervening on the single vehicles. For the European and the other non-US vehicles there is not such a problem.
- Legally, contrary to EU, the US legislation system is based on the concept of ex-post "punishment" - even if the guilty party could bring things back within the legal terms – rather than ex-ante control.

On the basis of these two points, as according to VW the European vehicles can be restored to the declared performance and emission level and there is no legal implication for VW after that, they see no ground for compensation. In USA they are

negotiating the whole case as a package, which will include also a compensation for the customer who will have to accept a deterioration of the performance of their vehicles after the recall.

P4: We would like to understand what kind of engine control strategy was used and how the vehicles on the market will be fixed.

The vehicles for the non-US market are relatively easy to restore to a proper functioning: the defeat device is being removed, there is a little intervention on the software and also on the hardware. Around one hour is needed per vehicle.