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To: LATTU Seppo (CAB-KATAINEN)
Cc: SG UNITE D2
Subject: Minutes Volkswagen meeting of 17 October 2017

Meeting with Volkswagen, 17 October 2017

Volkswagen requested a meeting with Cabinet Katainen and other Cabinets to discuss the points below:

1. *Information about measures being taken by Volkswagen (VW) after the German National Diesel Forum to improve air quality*

VW summarised the main outcome of the German Diesel Forum of 2 August 2017 and the remedial actions it outlined for VW and other car manufacturers (e.g. Pan-European Software update/ sustainable mobility fund/ environmental trade-in incentive). Some measures are pending the establishment of the new German government. Generally, the forum could be a good model for other Member States. At present only three German manufacturers are paying into the fund; VW's contribution is of € 94 million.

2. *State of Play of the EU Action Plan agreed with regards to the affected cars*

VW reiterated the main elements of its EU Action Plan to tackle the consequences of the scandal and outlined the status of the recall in the EU28 since receiving the green light on the fix by the relevant Type Approval Authorities (TAAs) and the additional rolling out of trust building measures in June/July 2017. VW explained that the success of the recall varied between Member States; some have already achieved a rate of about 90% (AT, DE, DK, FI), while it was expected to reach >70% by end of October 2017 and about 75% by end of 2017. The rate is considered quite good for this type of recall, especially given that it is not mandatory in all Member States. Further outreach is planned to better reach non-first-hand users, as part of a larger communication campaign to mobilise car owners and to clarify that it is not necessary to go to a VW workshop to get the fix. A dedicated website also provides the possibility to submit complaints; so far very few have been received. VW then announced that it expected to be able to provide additional improvements to the current software fix for 1.5 million cars in the coming year, explaining that while hardware updates could easily take three years to develop, software updates were much easier.

VW furthermore raised concerns about possible diesel bans, as it considers that these would mainly punish consumers, calling on the European Commission to facilitate in the matter.

3. *Strategic outlook Volkswagen*

VW outlined the strategic outlook of the car industry outlined at the International Motor Show 2017 (IIA) in Frankfurt in September 2017 with regard to e-vehicles, highlighting in particular the ambitious goals set by the different brands of the VW Group. It then welcomed the initiative by VP Šefčovič to organise a Batteries summit in Brussels on 11 October 2017, underlining the importance of building an ecosystem for the whole batteries value chain.

While being mostly in listening mode on points 1 and 3, Cabinets were engaged in the discussion of point 2 relating to the emission scandal. In particular, critical questions on the recall, in particular on 2nd hand cars, were raised by Cabinet Jourová. Cabinet Bieńkowska highlighted the measures foreseen proposal revising the Type Approval Framework that aim to improve market surveillance and its enforcement, for example expanding the use of mandatory recalls. Cabinet Katainen underlined the importance of tackling air pollution, reminding that the kind of instruments available to Member States will depend on the specific context.

Participants:

VW – (SG), (SG)

