

Transport Committee

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Rt Hon Patrick McLoughlin MP
Department for Transport
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Dear Patrick

Thank you for giving evidence to the Transport Select Committee on the Volkswagen emissions scandal on 12 October. The Committee is now deciding how to follow this up. I would be grateful if you could provide the Committee with further information on a number of recent developments.

Recall and MOT testing

The status of the recall of affected Volkswagen vehicles remains unclear. I am particularly concerned that the Department for Transport has been inconsistent in its communications to vehicle owners. There are concerns that owners might be reluctant to have their vehicles corrected if they fear that their vehicle's performance will be adversely affected as a result. On the 2 October a DfT spokesperson gave statements to the press that said that drivers with cars fitted with defeat devices were under no obligation to send the vehicles back to VW dealerships to get them modified. On 23 October it was reported that, in response to points raised during the Transport Committee's evidence session, the DfT is considering changing the MOT test next year so that affected vehicles are barred from the road unless they have been recalled.

- **What discussions has the DfT or DVSA had with Volkswagen over the recall of affected vehicles?**
- **What plans are being considered for altering the MOT test in response to the Volkswagen emissions scandal?**

VCA testing and real world emissions

In your letter to me dated 9 October you said that you had received written assurances that defeat devices have not been installed by the majority of UK car manufacturers. I am concerned that in evidence to both the Transport Committee and the Environmental Audit Committee, Ministers have said that they are still waiting for assurances from some manufacturers that they had not used defeat devices to pass emissions tests.

I am concerned that the written assurances you have received might be insufficient in light of widely reported research by the Institute for Transport Studies at the University of Leeds that suggests emissions from other manufacturers' vehicles are many factors above the EU limit. In some cases, such as Vauxhall, the ITS found that detected emissions in real world conditions were higher than that of Volkswagen.

Your letter also stated that the retesting of vehicles will be "funded from within my existing budgets". In evidence to the Committee on 12 October Paul Willis told us that UK taxpayers should not be liable to pay for that work (Q34). You have also announced that owners of affected vehicles will not have to pay a higher rate of vehicle excise duty if it's found that vehicles installed with defeat device software are in breach of emissions limits. In evidence to the Transport Committee, Paul Willis said that Volkswagen would be prepared to "have conversation further downstream with HMRC" as "The British taxpayer should not be out of pocket" (Q72 & Q73).

- **What action will the Government take to retest vehicles in response to independent research that shows emissions violations extend to a number of other motor manufacturers?**
- **Which motor manufacturers have not yet provided you with a written assurance that defeat devices have not been installed in their vehicles?**
- **What discussions has the DfT, VCA or HMRC had with Volkswagen on meeting the costs of retesting vehicles?**
- **If the Government has not had discussions with Volkswagen on these subjects, what plans do you have to do so?**
- **What powers does the Government have to recuperate lost VED revenue from Volkswagen?**

In evidence to the Environmental Audit Committee on 27 October the Air Quality Minister, Rory Stewart MP, said it was "basically a scandal" that the current laboratory emissions testing regime had for so long been in place while it was widely known this did not reflect real world emissions from cars (Q114). In recent years there have been a number of high profile reports on the gap between emissions measured in real world and laboratory conditions. One of those was commissioned by the Department for Environment, Food and Rural Affairs in 2013.

- **In 2013 DEFRA Commissioned research from King's College London and Newcastle University which found nitrogen oxide emissions had not reduced significantly over the last 20 years. What discussions took place between DEFRA and the DfT as a result of that report?**
 - **Did you take any action to follow-up on that study's findings?**
- **A 2014 International Council on Clean Transportation Report found that NOx emissions from tested vehicles were about seven times higher than the limits set by the Euro 6 standard. Did you take any action to follow-up on that study's findings?**

On 28 October Technical Committee of Motor Vehicles passed a proposal from the European Commission to set weaker nitrogen oxide emissions for diesel cars undergoing 'real world' driving emissions tests. The panel supported draft regulations that would allow diesel cars to emit more than twice the official 80mg per km limit agreed under Euro VI between 2017 and 2020, in preparation for the transition to the new real world driving emissions tests which will begin in 2017.

- **Who represented the UK on the Technical Committee of Motor Vehicles and what was the Government's position?**
 - **Does the Government support relaxing NOx limits in anticipation of real world driving emissions tests?**

Investigations into Volkswagen

Worldwide, a range of investigations have been launched into Volkswagen. I have written to Paul Willis requesting a full list. In the last week it has been disclosed that the Serious Fraud Office and the Competition and Markets Authority are also considering investigations. Robert Goodwill MP told the Environmental Audit Committee that there were "a number of areas" where Volkswagen could face prosecution.

During the Transport Committee evidence session you were asked about the powers at the Government's disposal to fine manufacturers for deception during the type approval process. You responded that "the Secretary of State may prosecute the manufacturer for providing insufficient evidence or producing information and documentation knowing that they contained a false statement. There are several areas which could be looked at." (Q112)

- **Could you expand on what grounds Volkswagen could be prosecuted and what penalties could be issued as a result?**
- **Could you provide more information on the scope of the investigations being considered by the Serious Fraud Office and the Competition and Markets Authority?**
- **Is there a possibility of criminal convictions against individual Volkswagen executives or engineers?**

Future of diesel

It is likely that the Volkswagen emission scandal will have wider implications on the Government's transport and environment policies, particularly in relation to diesel. On 1 October it was reported that Lord Drayson and others called for the incentives for diesel cars to be scrapped saying the previous policy was wrong.

- **Do you believe that in light of recent research into the health impacts from NOx and particulate matter arising from diesel that incentives for diesel cars were a mistake?**
- **Does the Government have plans to scrap incentives to buy diesel vehicles?**
- **If sales of diesel cars were replaced with petrol engines it is estimated that emissions of carbon dioxide would be 16% higher – do you agree with that assessment?**
 - **Is it possible to meet carbon budgets without diesel vehicles?**

I would be grateful if you could provide answers to my questions by 13 November.

Best Wishes,

Louise Ellman.

Chair of the Transport Select Committee