

Tuesday, 18th April 2017

Hans Dieter Pötsch
Volkswagen AG
Supervisory Board
Letter Box 1880
38436 Wolfsburg
Deutschland

Ref: HoC/JEF

Dear Dr Pötsch

I am writing on behalf of the Transport Select Committee of the House of Commons in relation to the Volkswagen Group emissions scandal and its continuing implications.

You may be aware that the Committee has been inquiring into this matter for some time. In October 2015 and January 2016 we took evidence from Paul Willis, Managing Director of Volkswagen Group UK; on the second occasion he was accompanied by Oliver Schmidt, then an engineer with Volkswagen AG. Following further evidence sessions with other witnesses we published our *Volkswagen emissions and vehicle type approval* report in July 2016. Among our key findings, we concluded that Volkswagen AG had shown a cynical disregard for emissions limits and that the difference in treatment between customers in Europe and those in the United States was deeply unfair.

On 20 February this year, we again took evidence from Mr Willis with a view to establishing what progress has been made in providing adequate redress to UK customers. Unfortunately, in both his oral evidence and written responses to the Committee's follow up questions Mr Willis failed to provide adequate answers. In part this appears to be because the issues to which our questions pertained were decided at the level of the Volkswagen AG supervisory board. Given that there are 1.2 million affected vehicles in the UK, we were surprised that so little effort had been made to ensure the most senior UK Volkswagen employee was adequately apprised of relevant developments.

In view of the above, and the continuing importance of this issue for UK customers, I would be grateful if you could provide responses to the following questions:


1. When Mr Willis gave evidence in January 2016, he assured the Committee that the findings of the Jones Day investigation into the origins of the diesel emissions scandal would be made public. Indeed, in response to a number of our questions, he stated we would need to await the outcome of the Jones Day investigation. However, when he appeared before us this year, he stated that the only findings from the Jones Day investigation that would be made public are those set out in the United States Department of Justice Statement of Facts. Clearly, a document that is 29 pages long does not contain all the findings of an extensive investigation. Nor, as a document prepared by the US authorities, does it shed much light on the situation in Europe which according to Mr Willis is "completely different" from that in the US. Can you explain why the supervisory board instructed Jones Day to share its full findings with the Department of Justice but no other governments? Was it the decision not to publish the full findings made by the supervisory board or the Department of Justice? How do you reconcile claims that Volkswagen is attempting to become more transparent and open with its refusal to publish the full Jones Day findings?
2. The Committee notes that Christine Hohmann-Dennhardt, who was hired by Volkswagen AG to oversee compliance left the company in January 2017 after just one year in the role. In a statement, Volkswagen stated that Dr Hohmann-Dennhardt was leaving the management board

due to differences in the understanding of responsibilities. How did Dr Hohmann-Dennhardt's understanding of her responsibilities differ from that of other board members? Does her departure demonstrate that Volkswagen is not serious about cleaning up its corporate culture?

3. Mr Willis told the Committee that the taxpayer should have no liability for the repercussions of Volkswagen's actions, although Volkswagen's understanding of this liability differs from that of the Department for Transport. Have other European authorities requested that Volkswagen compensate them in relation to actions taken in response to the emissions scandal? What specific activities did these requests cover? Has Volkswagen refused to meet any such requests?
4. When Mr Willis appeared before the Committee in February his position was that Volkswagen had done nothing wrong in Europe. His evidence was that the only reason the technical fix was being applied to European cars was to remove doubt from customers' minds and that it would not affect the performance of the vehicle. The Committee do not find it credible that Volkswagen would undertake such an extensive technical fix programme to reassure customers when the same objective could be achieved (for instance) through a customer information campaign. Please confirm whether your position is that the only reason why Volkswagen is applying the technical fix in Europe is to reassure customers.
5. The Committee has received a number of representations from Volkswagen customers who claim that the technical fix has impaired the performance of their vehicle. We are also aware of several instances where Volkswagen dealers have allegedly refused to investigate their concerns without the payment of an additional fee. Across Europe, what proportion of customers who have had the technical fix applied have raised concerns as to the impaired performance of their vehicle? Given the stated intention of Volkswagen to reassure customers, what explains your failure to provide further information as to what the technical measure actually entails? If, as Mr Willis insists, Volkswagen is satisfied that the technical measure does not impact on the performance of vehicle, please explain why Volkswagen refuses to provide a warranty for the technical measure.
6. It is the view of my Committee that the refusal of Volkswagen to provide UK customers who were deceived by the company with compensation is deeply unfair, especially given the generous compensation being paid to US customers. Please explain Volkswagen's rationale for refusing compensation to European customers.

If you have any queries in relation to your response please feel free to contact the Clerk of the Committee, whose contact details can be found on our website. I intend to publish this letter and your response, which I look forward to receiving soon.

Yours sincerely,



Louise Ellman MP
Chair of the Transport Committee