Fact Sheet

Volkswagen Diesel Litigation Settlements

Background

Volkswagen has agreed to a settlement of several federal, state and consumer claims related to the installation of software on 12 models of diesel powered passenger cars turning off emission control systems during routine driving. This settlement is a result of claims asserted by the U.S. Department of Justice, the Environmental Protection Agency, the Federal Trade Commission, the California Air Resources Board, and attorneys bringing class action claims on behalf of owners of subject vehicles. These emission defeat devices allowed up to 40 percent higher nitrogen oxide emission during normal driving.

This settlement addresses a portion of claims that have been, or that may be, asserted regarding Volkswagen's fraudulent scheme. First, this settlement includes approximately 475,000 2.0 liter vehicles. There are an additional 85,000 3.0 liter vehicles also with emission control defeat devices. USDOJ, EPA, CARB and the class action plaintiff attorneys continue to negotiate with Volkswagen to address claims regarding these vehicles. Second, this settlement does not resolve potential civil penalties or criminal enforcement for Volkswagen's fraudulent actions. Finally, third, a separate settlement involving most states' Attorneys General resolved state consumer protection claims (regarding both 2.0 and 3.0 liter vehicles).

Providing relief for VW diesel owners

Volkswagen will buyback, terminate leases or provide approved emissions modifications for the 2.0 liter diesel powered cars in the United States. Owners and lessees also will receive cash payments as an incentive to participate in the program, but owners are not required to participate.

Advancing Zero Emission Vehicle Technology

Volkswagen will promote zero emissions vehicle technology, electric and hydrogen fuel cell powered vehicles, with $2 billion supporting a plan that includes unbranded marketing of ZEVs, public charging and fueling infrastructure, and use of ZEVs in car- and ride-sharing programs. The plan will be implemented after consultation with EPA and interested states, with a commitment that $800 million will be spent in California and the rest spent in other states, at Volkswagen's discretion.

Protecting the environment

The settlement also provides for $2.7 billion to be distributed among states from a mitigation trust fund, based on the proportion of subject vehicles registered in each jurisdiction. This is intended to mitigate the emissions impact from past and ongoing use of the 2.0 liter vehicles. Under this formula, Oregon is expected to receive $68,239,143.96. If Volkswagen does not achieve a national 85 percent vehicle participation rate by 2019, then it must make additional payments into this mitigation trust fund.

The mitigation trust fund provides a prescriptive list of eligible actions, outlined below, with a focus on reducing nitrogen oxide emission from mobile sources like heavy duty trucks, buses, locomotives, tugboats, ferries, forklifts and airport ground support equipment.

Next steps

A Trustee, hired by the court, and possibly by January 2017 will establish a Trust Effective Date. A series of actions are then triggered for states interested in participating in this program. Each state must submit a mitigation plan within 90 days of the designation as a beneficiary by the Trustee. The plan must provide a general outline of the type of activities to be supported, the goals to be met, consideration of relief for areas disproportionately impacted by pollution, and a general description of the range of emission benefits to be realized.

The Department of Environmental Quality will provide opportunities in Fall 2016 for interested persons to provide input on project funding priorities within the outline provided by

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Last Updated: 10/26/2016
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the decree. DEQ also expects this issue to be considered by the Oregon Legislature during the 2017 session as DEQ will be seeking statutory authority to accept the environmental mitigation funds as well as the necessary budgetary authority and positions to administer this program.

Environmental mitigation fund – allowable projects

For both replacement and repower projects, the older vehicle engine must be scrapped. Funds also may be used as nonfederal match for any project deemed eligible for funding under DERA grant guidelines.

Trucks and buses

Class 4 - 8 trucks, school buses, shuttle buses, transit buses (model years 1992 – 2009, except school buses up to and including model year 2012).

Non-government owned

- Up to 40 percent for engine repower with new diesel or alternative fueled engine
- Up to 25 percent for new diesel or alternatively fueled vehicle, e.g. CNG, propane, hybrid
- Up to 50 percent for new diesel or alternatively fueled dray[1] truck
- Up to 75 percent for engine repower to all electric engine, including charging infrastructure
- Up to 75 percent for new all electric vehicle, including charging infrastructure

Government owned

- Up to 100 percent for engine repower with new diesel or alternatively fueled engine
- Up to 100 percent for new diesel or alternatively fueled vehicle, e.g. CNG, propane, hybrid
- Up to 100 percent for engine repower to all electric engine, including charging infrastructure
- Up to 100 percent for new all electric vehicle, including charging infrastructure

Switcher locomotives (pre-Tier 4 operating more than 1000 hours per year)

Non-government owned

- Up to 40 percent for engine repower with new diesel or alternative fueled engine, including generator sets
- Up to 25 percent for new diesel or alternatively fueled vehicle, e.g. CNG, propane, hybrid, generator sets
- Up to 75 percent for engine repower to all electric engine, including charging infrastructure
- Up to 75 percent for new all electric vehicle, including charging infrastructure

Government owned

- Up to 100 percent for engine repower with new diesel or alternative fueled engine, including generator sets
- Up to 100 percent for new diesel or alternatively fueled vehicle, e.g. CNG, propane, hybrid, generator sets
- Up to 100 percent for engine repower to all electric engine, including charging infrastructure
- Up to 100 percent for new all electric vehicle, including charging infrastructure

Ferries/tugs/towboats (Vessels with Tier 0, Tier 1 or Tier 2 engines eligible only)

Non-government owned

- Up to 40 percent for engine repower with new diesel (Tier 3 or 4) or alternative fueled engine
- Up to 75 percent for engine repower to all electric engine, including charging infrastructure

Government owned

- Up to 100 percent for engine repower with new diesel (Tier 3 or 4) or alternative fueled engine
- Up to 100 percent for engine repower to all electric engine, including charging infrastructure

Airport ground support equipment (Tier 0, Tier 1 or Tier 2 engines or uncertified or certified to 3 grams of pollutant per brake horsepower hour (gm/bhp-hr) spark ignited engine eligible only)

Non-government owned

- Up to 75 percent for engine repower to all electric engine, including charging infrastructure
- Up to 75 percent for new all electric vehicle, including charging infrastructure

Government owned

- Up to 100 percent for engine repower to all electric engine, including charging infrastructure
- Up to 100 percent for new all electric vehicle, including charging infrastructure

[1] Used in transporting freight to and from port and intermodal railyard facilities.

Forklifts/cargo handling equipment (Forklifts with greater than 8000 pounds lift capacity including reach stackers)

Non-government owned

Up to 75 percent for engine repower to all electric engine, including charging infrastructure

Up to 75 percent for new all electric vehicle, including charging infrastructure

Government owned

Up to 100 percent for engine repower to all electric engine, including charging infrastructure

Up to 100 percent for new all electric vehicle, including charging infrastructure

Ocean going vessel shorepower

Non-government owned

Up to 25 percent for costs associated with shore-side system

Government owned

Up to 100 percent for costs associated with shore-side system

ZEV fuel infrastructure

Up to 15 percent of each state's allocation maybe used for light duty vehicle zero emission vehicle supply equipment (Includes Level 1, 2 or fast charging infrastructure located in a public place, workplace or multi-unit dwelling or fueling equipment capable of dispensing hydrogen at a pressure of 70 megapascals located in a public place.)

Up to 100 percent of the cost to purchase, install and maintain charging equipment available to the public at a government owned property

Up to 80 percent of the cost to purchase, install and maintain charging equipment available to the public at a non-government owned property

Up to 60 percent of the cost to purchase, install and maintain charging equipment available at a workplace or multi-unit dwelling but not to the general public

Up to 33 percent of the cost to purchase, install and maintain hydrogen fuel cell vehicle supply equipment capable of dispensing at least 250 kilograms/day, available to the public

Up to 25 percent of the cost to purchase, install and maintain hydrogen fuel cell vehicle supply equipment capable of dispensing at least 100 kilograms/day, available to the public

For more information please contact:

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Alternative formats

Documents can be provided upon request in an alternate format for individuals with disabilities or in a language other than English for people with limited English skills. To request a document in another format or language, call DEQ in Portland at 503-229-5696, or toll-free in Oregon at 1-800-452-4011, ext. 5696; or email deqinfo@deq.state.or.us.Hearing-impaired persons may call 711.