

Mr. Matthias Müller
Chief Executive Officer
Volkswagen Group
Berliner Ring 2
38436 Wolfsburg
Germany

Dear Mr. Müller:

We write today regarding Volkswagen cars and SUVs in Australia recalled in association with the emissions cheating scandal. In the name of transparency, sustainability, and a fair marketplace, we urge your company to be fully accountable to the Australian consumers who have these cars.

It has been well over a year since the news broke of Volkswagen's emissions deceit, with the U.S. Environmental Protection Agency finding shortly thereafter that more than 500,000 VW, Audi, and Porsche vehicles sold in the U.S. were equipped with software that could cheat pollution tests. At the time, VW admitted that around 11 million cars worldwide included this software. Last year, Volkswagen agreed to a civil settlement giving affected U.S. consumers the choice to have their car repaired or bought back by the company. The company would go on to plead guilty in the U.S. to criminal charges and agree to pay US\$4.3 billion in criminal and civil penalties. Overall, Volkswagen is demonstrating in the United States that it plans to make U.S. consumers whole.

In contrast, Volkswagen's approach in Australia has been to avoid, confuse, and deny. In court, the company expressly has denied installing any "defeat devices" in Australian vehicles, yet has admitted that the vehicles operate in a testing mode and a non-testing mode.^{1 2} Moreover, Volkswagen is running a recall in Australia to deal with what the company obliquely calls "the emissions situation," and has announced that the only recourse for Australian consumers is to accept a technical fix to deal with the "deviations" in emissions between tests and normal road use.³

We are surprised and disappointed that Volkswagen is treating Australian consumers so differently from those in the United States. Former VW CEO Martin Winterkorn said on September 22, 2015, that the company "will do everything to undo the damage that was done" and "will do everything to win back your trust step by step."⁴ We reasonably expected that Volkswagen would live up to these commitments—not just in the U.S., but globally, including in Australia.

¹ Amended Concise Narrative Statement, 27 May 2016, paras [38], [44] – [47], [61] – [66], [79], [83] and [85].

² Ibid, para [37].

³ <http://volkswagendieselinfo.com.au/>

⁴ "Volkswagen CEO issues video apology for emissions cheating scandal," Fortune (Sept. 22, 2015) (online at fortune.com/2015/09/22/volkswagen-apology-emissions-cheating).

To uphold its commitments to Australian consumers, Volkswagen should immediately come clean. We ask the company to confirm, on the record, whether diesel vehicles sold in Australia included the software deemed to be a “defeat device” in the United States. If not, we urge VW to explain precisely why the company is running a recall and fixing cars. If so, we urge VW to act promptly to properly compensate Australian consumers. Just like in the U.S., Australian consumers deserve to have the ability to choose whether to have their cars fully repaired or to get a refund.

Thank you for your attention to this matter. Only true accountability to Australian consumers will allow Volkswagen to regain the trust that it recognizes it has lost.

Yours sincerely,



Marta Tellado,
Consumer Reports CEO



Alan Kirkland,
CHOICE CEO