

United States Senate

WASHINGTON, DC 20510

January 7, 2016

Michael Horn
President and CEO
Volkswagen (VW) Group of America
2200 Ferdinand Porsche Drive
Herndon, VA 20171

Dear Mr. Horn:

We write regarding news that Volkswagen has hired Kenneth Feinberg, a specialist with extensive experience in administering compensation funds, to create a program to process claims by vehicle owners affected by your company's emissions control deception. The establishment of a compensation program for car owners deceived into purchasing what they thought was a clean diesel vehicle is just a first step for rebuilding the trust with your customers; the devil is in the details. In order to win back the public's trust in the wake of this fraud, it will be important to ensure that the terms of such a program provide consumers with options in addition to generous compensation.

While we are pleased that you have publicly committed to making sure Mr. Feinberg has full independent authority to make eligibility decisions for access to the compensation program, we urge you to also ensure that Mr. Feinberg is able to provide eligible car owners with a full menu of options to make participation in the program worthwhile. The full extent of the harm created by your company's purposeful deception must also be reflected and remedied in the terms made available to claimants.

For owners who want to keep their car, but do not want to be driving a vehicle in breach of environmental regulations, we urge you to guarantee owners a speedy fix that minimizes their hassle, and full compensation for the loss of resale value and lost fuel economy. For owners who no longer want their car, Volkswagen should buy back the vehicle at the fair market value that existed prior to the time at which Volkswagen's fraudulent activity was made public. In the European Union, Volkswagen is already doing this. All owners affected should also receive compensation for intangible damages stemming from your company's deception.

We recognize there may be some vehicle owners who may not wish to fix the vehicle to be in compliance with emission standards. For this reason, we urge you to ensure that the compensation packages are attractive enough so that even these consumers will choose to either fix their vehicle or return it to Volkswagen. Volkswagen owes it to the public to make sure that robust incentives are in place that will keep polluting cars off of roads. We will also continue to call on regulators to enforce the environmental laws violated by any individual driving a vehicle that is not in compliance with emission standards.

Finally, as you create a timeline for this compensation program, we urge you to provide generous deadlines that will allow potential claimants to meaningfully assess their options and take into consideration developments in current litigation and regulatory proceedings, before having to decide whether to file a claim and waive their right to sue.

We hope you will keep us informed as this compensation program develops. We look forward to continuing this dialogue with you and helping you ensure that customers deceived by Volkswagen are made whole.

Sincerely,


RICHARD BLUMENTHAL
United States Senate


EDWARD J. MARKEY
United States Senate