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U.S. House Panel Prepares to Press VW on Cheating Timeline

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Volkswagen AG waited two months after acknowledging a software abnormality in its cars to tell regulators the algorithm was designed to cheat emissions tests, according to a staff memo prepared for lawmakers investigating the automaker.

The Energy and Commerce Committee, which will hold a hearing on Thursday in Washington, also wants further details on how and why the German-based automaker cheated on U.S. and California emissions tests, according to the memo. Committee staff met Monday with representatives of VW and regulators in preparation for the hearing.

The House hearing will add to the emerging record on what went on behind the scenes at VW. By the time the panel convenes, VW will have informed European regulators about steps it intends to take to fix nearly 11 million vehicles.

VW's initial disclosure to the California Air Resources Board that it had a "second calibration" governing engines during emissions tests on three different diesel engines occurred on July 8, according to the committee. It wasn't until Sept. 3 that the company came clean with the Environmental Protection Agency and CARB that this alternative mode was a "defeat device," shutting down pollution-control equipment as the cars drove in the real world.

The Senate Finance Committee on Tuesday disclosed its own investigation into whether Volkswagen lied to the U.S. government in certifying its diesel vehicles as eligible for alternative motor vehicle tax credits, which are used to develop the market for higher-cost, less polluting cars.

Volkswagen's 2009 Jetta TDI Sedan and SportWagen models qualified for \$1,300 per vehicle tax credits, and several 2010 models were later certified as eligible, Senators Orrin Hatch, a Utah Republican, and Ron Wyden, an Oregon Democrat, said in a letter to VW executives on Tuesday. More than \$50 million in subsidies went to the cars' buyers, they said.

VW's Remedy

The House panel is likely to ask VW executives and officials from the EPA about fixes for cars and what consumers can expect going forward, according to the memo.

“We really need more information about what motivated Volkswagen to distrust their own engineering and their technology,” said Dan Becker, director of the Safe Climate Campaign, a Washington environmentalist who has been following the scandal closely.

The software allowed the cars to pass pollution tests even though they emitted as much as 40 times the permitted amount of smog-forming nitrogen oxides, according to the EPA. VW has suspended sales of those vehicles and its chief executive officer, Martin Winterkorn, quit as investigators from Washington to Berlin have promised to punish those responsible.

In a statement Tuesday, Volkswagen’s current Chief Executive Officer, Matthias Mueller, promised employees “swift and relentless clarification” of what went wrong. Fixes for customers are “imminent,” he said.

“We can and we will overcome this crisis, because Volkswagen is a group with a strong foundation,” Mueller said. “Only when everything has been put on the table, when no single stone has been left unturned, only then will people begin to trust us again.”

Volkswagen’s top U.S. executive, Michael Horn, will testify Thursday. The panel will also hear from Christopher Grundler, director of EPA’s Office of Transportation and Air Quality, and Phillip Brooks, the agency’s director of air enforcement.

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