

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

***IN RE: VOLKSWAGEN “CLEAN DIESEL” MARKETING, SALES PRACTICES,
AND PRODUCTS LIABILITY LITIGATION***

Master File No. 3:15-MD-02672-CRB, MDL No. 2672

During a hearing on February 25, 2016, Judge Charles Breyer, the judge overseeing the Multidistrict Litigation in the United States, had the following admonitions for Volkswagen:

- So let me go out of order, if I might, and address the issue which, to the Court’s view, is the key issue to be addressed in this litigation at the outset, which is remediation; which is, what remedies are being proposed by Volkswagen to address the immediate problem of hundreds of thousands of vehicles on the streets and highways of the United States which are not in compliance with the law. (p. 6)
- I have some real concerns, and I want to voice them today. First, unlike a number of cases or class actions, this is an ongoing problem. We are not—we are not looking at a situation where the damage has been caused and what is the appropriate compensation for the damages. (p. 12)
- 600,000 vehicles are on the road today, out of compliance with national EPA standards that—in some cases, a heightened standard by, I think, eight states as well. So it’s an ongoing harm that has to be addressed. And that gives a sense of urgency. And it’s not just that these vehicles on the road can’t be sold or can’t be crated. It’s not just that. It is the fact that they are polluting; and, therefore, we must address it. (p. 13)
- [C]ertain decisions may have to be made by the company that will not be the most—let’s see, not be the most advantageous economically for the company. But it’s a decision that they must make in what I call the very near future. (p. 13)
- I think that by March 24th, when I plan to have the next hearing in this matter, I want a definite answer from Volkswagen and EPA whether or not they’ve achieved a resolution of these vehicles, a remediation of these vehicles; whether they can do so technologically and within the parameters that EPA believes acceptable to them. But I want to know that before March 24th. (p. 14)
- [I]t seems to me six months is long enough to determine whether or not there is an engineering process that can be utilized by Volkswagen and would be acceptable to the United States government. And that’s the amount of time I’ve given you. So I want to have a definite answer as to that question not later than March 24th. (p. 14-15)

- I do want to, once again, point out it may be that your resolution is not EPA's resolution. And I think if there is a difference by March 24th, as to the position of the parties, we have to address that. And we have to take action with respect to it. (p. 40)
- [I]t is the Court's role to set deadlines and to keep people on those deadlines. And that's what I'm trying to do today. (p. 40)

Additionally, counsel for Volkswagen acknowledged the following during that hearing:

- These are highly complex engineering issues. And the engineers have been meeting, as well, because obviously the things EPA [Environmental Protection Agency] and CARB [California Air Resources Board] are concerned about is whether any resolution or remedy will be one that is a durable, lasting remedy. And those discussions are going on. And there's very complicated issues regarding emission systems, onboard diagnostics. And all of that is being dealt with at the standpoint of the engineers. (p. 9)
- One other point I should mention, it's important to remember that this matter involves 600-or-so-thousand cars in the United States. It involves another 11 million in the rest of the world and in more than a hundred countries. So this is a very complex situation, where one has to deal with regulatory approvals outside the United States as well as inside the United States; although, the standards are different in different countries. (p. 11)