



# Air Resources Board



**Matthew Rodriguez**  
Secretary for  
Environmental Protection

**Mary D. Nichols, Chair**  
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**Edmund G. Brown Jr.**  
Governor

**Note: This letter, but not the attachment containing confidential business information, is public.**

July 13, 2016

Reference No. IUC-2016-013

Audi AG  
Volkswagen AG  
Volkswagen Group of America, Incorporated

Through:

David Detweiler  
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**SUBJECT: NOTICE OF REJECTION OF VOLKSWAGEN GROUP OF AMERICA INCORPORATED'S DIESEL 3.0 LITER TDI ENGINE INFLUENCED EMISSION RECALL PLAN SUBMITTED ON BEHALF OF VW AND AUDI**

Dear Mr. Detweiler and Mr. Johnson:

As you know, the California Air Resources Board (CARB) has been investigating the failure of Volkswagen AG, Volkswagen Group of America, Inc., Volkswagen Group of America Chattanooga Operations, LLC (collectively, VW) and Audi AG (Audi) vehicles to comply with State emission standards, test procedures, on-board diagnostic (OBD) system requirements, and other regulatory requirements. VW stated, and Audi acknowledged, that Audi designed, built, and supplied the 3.0 liter (3.0L) diesel engines for inclusion in VW's and Audi's 3.0L diesel vehicles. In November 2015, Audi admitted to CARB that its 3.0L diesel vehicles were equipped with undisclosed Auxiliary Emission

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.*

California Environmental Protection Agency

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Control Devices (AECDs), which CARB later determined to be defeat devices that bypass, defeat, or render inoperative elements of the vehicles' emission control systems. These defeat devices were installed on VW's and Audi's 3.0L diesel vehicles manufactured for model years (MY) 2009-2016 (Generations 1, 2.1, and 2.2) in order to circumvent CARB's and the United States Environmental Protection Agency's (EPA) emission test procedures, so that VW and Audi could obtain Executive Orders from CARB and Certificates of Conformity from EPA. These documents were required before these vehicles could legally be introduced into commerce in California.

As a result of VW's and Audi's disclosures and CARB's investigation, in conjunction with EPA and Environment Canada, on November 25, 2015, CARB issued VW and Audi an in-use noncompliance letter covering these VW and Audi 3.0L diesel vehicles (Reference No. IUC-2015-012). CARB's in-use noncompliance letter, among other things, directed VW and Audi to return those vehicles to the claimed certified configuration. Pursuant to California Code of Regulations, title 13, section 2113(b), VW and Audi had until February 2, 2016, to submit a proposed influenced emission recall plan ("recall plan" or "proposed plan") to CARB that met the elements prescribed in California Code of Regulations, title 13, section 2114. VW's and Audi's recall plan was required to correct the nonconformities of their MY 2009-2016 (Generations 1, 2.1, and 2.2) 3.0L light-duty diesel vehicles in an expeditious manner.

VW, on behalf of itself and Audi, submitted a single, incomplete recall plan on February 2, 2016. After the February 2, 2016, deadline, VW and Audi submitted additional significant information and data, both in writing and orally, to CARB relating to the affected vehicles' nonconformities. CARB informed VW and Audi in a confidential letter dated February 17, 2016 (Reference No. IUC-2016-005), that the recall plan failed to address the basic requirements outlined in California Code of Regulations, title 13, sections 2113-2119. This letter also reiterated some of what was needed to fully meet the regulatory requirements. After the February 17, 2016 letter, and as late as June 2016, VW and Audi continued to submit additional significant information and data, both in writing and orally, to CARB relating to the affected vehicles' nonconformities.

VW's and Audi's submissions are incomplete, substantially deficient, and fall far short of meeting the legal requirements to return these vehicles to the claimed certified configuration. The VW/Audi proposed 3.0L influenced emission recall plan does not meet the requirements of California Code of Regulations, title 13, section 2113, subdivision (c), and fail to contain all of the required elements. Specifically, among other deficiencies, the proposed plan fails to do the following, as required under California Code of Regulations, title 13, section 2114, for all Generations 1, 2.1, and 2.2 vehicles:

- Adequately describe the nonconformities and undisclosed AECs/defeat devices on the affected vehicles;
- Sufficiently describe the remedial procedure for affected vehicles;
- Provide a meaningful estimated capture rate in California;
- Specify the system by which VW will ensure the availability of sufficient repair parts to institute the proposed fixes;
- Contain the impact of proposed fixes on fuel economy, drivability, performance and safety;
- Describe the impact of repairs on emissions, particularly average noncompliance emission levels, average emission reductions per pollutant, and an average emission level after proposed fixes;
- Demonstrate how the proposed fixes are designed to correct the nonconformities;
- Provide onboard diagnostic system demonstration data;
- Demonstrate how the plan is designed to correct the nonconformities in an expeditious manner; and
- Provide sufficient detail for CARB to evaluate the feasibility and success of the proposed plan.

CARB considers six of the deficiencies in Audi/VW's proposed influenced emission recall plan to be the most serious. First, VW and Audi have failed to disclose and provide a full description of all defeat devices and AECs. Second, VW and Audi have failed to describe the nonconformities in sufficient detail for CARB to adequately understand them in the context of the recall plan, in order to determine whether the proposed fixes are feasible, would remedy each of the nonconformities, or would not cause adverse impacts on the emissions durability. Third, VW and Audi failed to specifically and completely describe the fixes in their proposed recall plan in a manner that allows CARB to adequately evaluate whether they could be successful or are even technically feasible or would not cause greater emissions deterioration. Fourth, VW's and Audi's proposed recall plan failed to provide required data to demonstrate that the affected vehicles will be returned to the claimed certified configuration including emissions durability during the useful life of the vehicles. Fifth, the proposed plan does not sufficiently address impacts the proposed fixes would have on the engine, the vehicle's overall operation such as drivability and fuel economy, and all related emission control technologies, including the OBD system, emissions durability, or the DEF system's dosing, warnings and inducements. Lastly, the recall plan cannot be completed expeditiously, as certain required data will not be available until early August 2016 for the Generation 2.2, mid-October 2016 for Generation 2.1, and the end of December 2016 for Generation 1. These six problems, as well as additional deficiencies with the recall plan, are described in more detail in the confidential attachment to this letter.



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Therefore, CARB is rejecting VW's and Audi's proposed 3.0L influenced emission recall plan for the 3.0L Generations 1, 2.1, and 2.2 diesel vehicles. CARB, in conjunction with EPA, will continue the on-going technical discussions with VW and Audi to evaluate their proposals through the enforcement action process to ensure a legally acceptable and expedited resolution to this matter. If you have any questions, I can be reached at (626) 450-6150.

Sincerely,



Annette Hebert, Chief  
Emissions Compliance, Automotive Regulations, and Science Division

Confidential Attachment not to be released to public

cc: (via email only)

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