

VW hires Kenneth Feinberg to handle emission-cheating claims

December 17 2015, by Tom Krisher

Volkswagen has hired Kenneth Feinberg to create a program to compensate owners of diesel-powered cars caught up in an emissions-cheating scandal. Feinberg is known for his work in compensating victims of the General Motors ignition switch scandal, the BP Gulf oil spill and other high-profile cases.

The German automaker said in a statement Thursday that Feinberg will design and administer an independent claims program for owners of 2-liter four-cylinder or 3-liter six-cylinder diesel cars. More than a half-million of the diesel cars in the U.S. have [software](#) that cheats on emissions tests, and several federal agencies are investigating Volkswagen's conduct.

Feinberg's extensive experience in handling complex claims "will help to guide us as we move forward to make things right with our customers," Michael Horn, VW's U.S. CEO, said in the statement.

Volkswagen has admitted to installing software on 482,000 four-cylinder diesel engines in the U.S. that turns on pollution controls for government tests and shuts them off when cars are driven on roads. The software can detect when the cars are on a treadmill-like device called a dynamometer, which governments use for the tests. The EPA says they can emit up to 40 times more harmful nitrogen oxide pollution than allowed under the Clean Air Act.

In addition, the U.S. Environmental Protection Agency and California

Air Resources Board have accused VW of cheating on six-cylinder diesels. VW has said suspect software is on about 85,000 of the bigger vehicles.

Several models from the Volkswagen, Audi and Porsche brands dating to the 2009 model year are affected.

Feinberg said in a statement that he will start work immediately. "We hope to have a claims program designed as expeditiously as possible," he said, adding that he would seek input from VW, owners, lawyers and other interested parties.

Volkswagen has submitted plans to fix the four-cylinder cars to the EPA and CARB, which are evaluating them. CARB must respond to VW by Tuesday.

Volkswagen has said a simple software change can fix some of the newer cars, but for most, the fix will have to include software and equipment. Experts say the hardware, including exhaust system modifications and a possible chemical treatment system, could hurt the cars gas mileage or performance.

All of this will be discussed with the car owners, regulatory agencies and Volkswagen to develop a compensation formula, said Camille Biros, deputy administrator of the VW fund. "That's why they hired us, to come up with a program that allows for various remedies on various issues," she said in an interview.

Biros said the firm will set up a website in the next several weeks for people to submit ideas for a compensation plan.

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