Volkswagen, dealers reach tentative deal in cheating scandal

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Volkswagen has reached a tentative deal with its U.S. dealers to compensate them for losses they said they suffered as a result of the company's emissions cheating scandal, attorneys for the carmaker and dealers told a federal judge Thursday.

The value of the settlement with the roughly 650 dealers was not disclosed, although Volkswagen said in a statement later that it would include cash payments.

"We believe this agreement in principle with Volkswagen dealers is a very important step in our commitment to making things right for all our stakeholders in the United States," Hinrich J. Woebcken, CEO of Volkswagen North America, said in the statement.

Details of the settlement were still under discussion. U.S. District Court Judge Charles Breyer gave the attorneys until the end of September to submit a final proposal. The deal would require Breyer's approval.

Volkswagen previously reached an agreement with attorneys for car owners. That deal calls for it to spend up to $10 billion buying back or repairing about 475,000 vehicles involved in its scandal and paying their owners an additional $5,100 to $10,000 each.

Details about the vehicle repairs have not been finalized.

The settlement also includes $2.7 billion for unspecified environmental

mitigation and an additional $2 billion to promote zero-emissions vehicles.

Breyer gave the deal preliminary approval last month.

It does not cover about 85,000 more-powerful Volkswagens and Audis with 3-liter engines also caught up in the emissions scandal.

Volkswagen attorney Robert Giuffra said the company was prepared to submit a fix for some of those vehicles by early November that would bring them into compliance with clean energy laws. Any fix proposed by Volkswagen would have to be approved by government regulators before it could be implemented.

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