

**Statement of
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and
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U.S. Environmental Protection Agency
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
U.S. House of Representatives**

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Chairman Murphy, Ranking Member DeGette and other members of the Subcommittee, we appreciate the opportunity to testify on the matter of the Environmental Protection Agency's (EPA) Notice of Violation (NOV) issued to Volkswagen (VW).

I am Chris Grundler, and I direct EPA's Office of Transportation and Air Quality, which is responsible for EPA's air pollution compliance program for all mobile vehicles, engines and equipment, including cars and trucks. I am joined today by my colleague Phil Brooks, Director of the Office of Civil Enforcement's Air Enforcement Division. EPA's Civil Enforcement program develops and prosecutes civil administrative and judicial cases.

On September 18, 2015, the EPA sent a Notice of Violation (NOV) of the Clean Air Act to Volkswagen (Volkswagen AG, Audi AG, and Volkswagen Group of America, Inc.) alleging that four-cylinder Volkswagen and Audi diesel cars sold in the U.S. from model years 2009 to 2015 include software that circumvents EPA emissions standards. Volkswagen manufactured and installed software in the electronic control module of these vehicles that sensed when the vehicle was being tested for compliance with EPA emission standards. Put simply, these cars contain software that turns off or significantly reduces the effectiveness of emissions controls when driving normally, and turns them on when the car is undergoing an emission test.

Known as a “defeat device,” this design feature results in the cars emitting up to 40 times the emissions that are allowed to ensure public health is protected. These devices contain a “switch” that senses whether the vehicle is being tested or not based on various inputs, including the position of the steering wheel, vehicle speed, the duration of the engine’s operation, and barometric pressure. The NOV that the EPA issued covers roughly 482,000 diesel cars.

All new cars sold in the United States must have an EPA-issued “certificate of conformity” demonstrating that the car meets applicable federal emission standards to control air pollution. By making and selling vehicles with defeat devices that allowed for higher levels of air emissions than were certified to the EPA, VW violated multiple important Clean Air Act provisions. These violations are very serious. Not only because the illegal defeat device results in excess emissions many times the allowable standard, but also because after the high emissions were discovered, VW concealed the facts from the EPA, the State of California, and from consumers.

These vehicles are emitting more nitrogen oxides, or “NOx,” than regulations allow. NOx pollution contributes to ground-level ozone and particulate matter. Exposure to these pollutants has been linked with a range of serious health effects, including increased asthma attacks and other respiratory illnesses that can be serious enough to send people to the hospital.

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The EPA is in the midst of the ongoing investigation into VW’s actions. We will be working closely with the U.S. Department of Justice throughout this investigation, and determinations regarding potential penalties and other remedies will be assessed as part of the investigation. However, at this point we are unable to provide further details of the investigation because the release of such information could jeopardize this ongoing enforcement investigation.

The EPA will continue to work closely with the California Air Resources Board during the investigation. CARB led and contributed much of the effort to get us to this point – our agencies work closely together on the implementation and oversight of the vehicle emissions programs.

As part of the investigation, we intend to assess the scope of VW's liability under the Clean Air Act, and whether there are additional vehicles with defeat devices. We intend to assess the economic benefit to VW of noncompliance and pursue appropriate penalties, as well as assess the excess pollution from VW's violations and appropriate ways to mitigate that harm.

While our enforcement authority concerns air pollution, we are acutely aware of the impact of these Clean Air Act violations on consumers, and we have provided frequently asked questions for consumers on our website, such as whether the cars are safe to drive and whether the EPA is officially recalling the vehicles at this point.

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On September 25, 2015, my office sent a letter to all auto manufacturers notifying them that we are stepping up our testing activities in response to VW's alleged violations. Over the 40-plus year history of our program, we have continuously updated and adapted our approaches to compliance oversight as technologies and situations changed. We take seriously our responsibility to oversee the implementation and enforcement of our clean air regulations. It is this oversight that ensures the benefits of clean air emissions standards are realized, that the industry is competing on a level playing field, and that consumers are getting what they pay for.

Again, we thank you for the opportunity to appear as witnesses at this hearing for the Subcommittee, and we welcome your questions.