

**Opening Statement of the Honorable Tim Murphy
Subcommittee on Oversight and Investigations
Hearing on “Volkswagen’s Emissions Cheating Allegations: Initial Questions”
October 8, 2015**

(As Prepared for Delivery)

Just under three weeks ago, car owners around the world were shocked to learn that Volkswagen AG, the world’s largest automaker, admitted that it had installed software for a number of years in millions of its diesel models that effectively defeated emissions controls during routine driving.

This news followed the Environmental Protection Agency’s public announcement on September 18th that it had sufficient evidence to support allegations that VW was cheating on its emissions tests.

As EPA reported at the time, when the cars were subject to emissions testing, the diesel vehicles switched into an operational mode designed specifically to pass the tests, and then switched back to a different mode during normal driving — a mode that emitted nitrogen oxides up to 10 and 40 times the federal limits.

In the United States alone, some 482,000 Volkswagen and Audi models were affected by the cheating software. Worldwide, the software was used in an estimated 11 million vehicles, involving several VW lines.

In the wake of this apparently massive deception, the Energy and Commerce Committee opened a bipartisan investigation to get answers for the American public. This investigation will seek to understand the facts and circumstances surrounding VW’s actions, the impact of its decisions, and related issues about emissions compliance generally.

At this morning’s hearing we will receive testimony from the head of Volkswagen’s American operations, Mr. Michael Horn, and from EPA officials tasked with ensuring the automobiles on American’s roads meet federal environmental standards. In addition, this subcommittee intends to pursue answers to critical initial questions concerning the troubling revelations about VW’s actions — what happened; who was involved; and most important, why?

Let me acknowledge that Mr. Horn is appearing before us voluntarily today and say that I expect that he and the Volkswagen organization will continue to cooperate with our inquiry. This means providing documents and information to the committee as quickly as possible, including documents that have already been discussed publicly in connection with Volkswagen’s various board meetings in Germany.

As I said before, there are a number of core questions we will begin to pursue today, both for Volkswagen and for EPA. Most critically: what happened; who was involved; and why were these deceptive actions taken? And we also have a number of questions concerning the impact of these decisions on customers, family-owned dealerships, and the American public.

I hope today Mr. Horn can provide some important context for us and expand upon the facts he represents in his testimony. We will look to him to explain the current understanding of VW executives about what exactly was done to these engines, and was it done to deliberately deceive the government regulators? And what is VW doing to fix the problem and make whole those who have been affected by its actions?

At some point prior to 2009, VW made a choice to move forward with engines that evidence now suggests were not compliant with U.S. emissions standards. The illegal software was initially deployed in a first generation these diesel engines which account for approximately 340,000 of the affected vehicles. However, despite apparent advancements in their emissions control systems in two future generations of these engines, the software remained in place. If the technology was improving, what did the company understand about the software cheat? And what does this mean for fixing these vehicles? Will some be easier than others?

Of course, for EPA we have questions about its compliance and recall programs. I hope we can get some clear answers today from that agency. Why did EPA's standard compliance tests and audits fail to detect problems, especially in the older technology? What is EPA doing to ensure any fix it requires of the automaker does not negatively affect vehicle performance?

There is some need for a sense of proportion regarding this matter. The four hundred eighty thousand or so VW vehicles implicated in this scandal represent only .2% of the cars and light trucks on U.S. highways and so far we have no evidence that software similar to what was used by VW is present in any other U.S. vehicles. EPA's ongoing testing will help address this question. But I hope our witnesses from VW and EPA can understand why our confidence has been shaken.

At root, the behavior to which VW admitted represents a fundamental violation of public trust. And the reverberations of this violation can be seen across the United States and across the world as people grapple with the implications. We need to develop a clear understanding of the facts and circumstances surrounding this case. And this hearing will be a first, important step towards that goal.