

**Remarks of FTC Chairwoman Edith Ramirez  
Volkswagen Press Conference  
Washington, DC  
June 28, 2016**

I am pleased to be here today with Deputy Attorney General Yates and EPA Administrator McCarthy. Through the joint efforts of our terrific staff, we have secured significant remedies in this matter for consumers and the environment.

As the nation's leading consumer protection agency, the Federal Trade Commission has obtained a federal court order requiring Volkswagen to create a \$10 billion compensation fund for affected VW diesel owners. This is the largest consumer refund program in the FTC's history.

Our goal in this case was to ensure that affected consumers receive full compensation. These consumers were harmed by Volkswagen both because it unfairly sold cars with illegal defeat devices and because it deceptively advertised these cars with claims that they were "clean."

For years, Volkswagen's high-profile marketing campaign touted the company's "Clean Diesel" cars with eco-friendly claims such as: "Diesel. It's no longer a dirty word." And, "[C]lean-diesel technology such as ours can achieve 40-percent better fuel economy and reduce nitrogen-oxide emissions by 90%." Volkswagen also claimed the cars would maintain a high resale value.

In reality, consumers who bought or leased a "clean diesel" car now own a car that emits up to 40 times more than the legal limit of a dangerous pollutant, and the car's resale value has plummeted.

Under today's orders, consumers will have the option of selling their cars back to the company at favorable prices. Everyone who elects a buyback will receive what his or her car was worth before VW's deception became public, as well as compensation for other losses, such as the time and taxes needed to buy a new car. Payments under the buyback option will range from \$12,500 to \$44,000, depending on the model and certain adjustments for mileage, trim packages, and geographic region. If there is an approved retrofit for the emission system, consumers can choose instead to have their vehicles modified by Volkswagen for free and receive an additional payment ranging from \$5,100 to \$10,000 to ensure they are compensated fully for their cars' diminished value.

In addition, those leasing an affected vehicle will have the choice of either cancelling their leases without early termination fees or having their cars retrofitted. These consumers will also receive monetary compensation.

I would also like to note that a court-appointed monitor will oversee Volkswagen to make sure the company complies with today's orders and treats every affected consumer fairly. The FTC's order also imposes conduct restrictions on Volkswagen, so if the company misrepresents the environmental benefits of its vehicles again, it can be held in contempt of court and may face steep penalties and possible criminal prosecution.

Today's announcement represents the culmination of months of close collaboration between the FTC, the EPA, the Department of Justice, and the State of California. Our attorneys have been working nearly around the clock to obtain orders in this case that address the significant environmental harm Volkswagen caused, and to ensure that consumers are fully compensated for their losses. I would like to thank all of the staff involved for their hard work.

Finally, let me say that I think today's announcements should send a strong message that the cost of breaking our consumer and environmental laws is high. Many Americans care deeply about the environment, and companies should not be permitted to take advantage of that priority and profit from false claims. Those of us charged with protecting the environment and American consumers are watching, and we will not hesitate to take action when that happens.

Thank you.