

# VW to pay \$10bn in US over emissions scandal

Volkswagen has agreed to pay \$10 billion to settle a huge US civil case over its diesel emissions-cheating scandal, a person familiar with the negotiations told AFP on Thursday. As part of the settlement, Volkswagen would compensate owners of around 480,000 2.0-liter diesel cars up to \$7,000 in cash each, and would also fund a programme to fight air pollution, the person said.



Simon via [Pxabay](#)

Volkswagen admitted in September that it had installed software on diesel cars that tricked US emissions tests into showing the cars met environmental standards. After testing, the device switched off, allowing the vehicles to spew up to 40 times the permitted amounts of nitrogen oxides. The scandal, which emerged with the revelations in the United States, went global after Volkswagen admitted it had installed the emissions-cheating software in 11 million VW, Porsche and Audi cars with diesel engines worldwide.

The San Francisco civil lawsuit accuses Volkswagen of major damages to the environment and to the owners of the illegally rigged diesel cars. A settlement could be enough to allow Volkswagen to avert a huge trial over how it would deal with the scandal that has already deeply damaged the world's second-largest automaker.

To help the various sides reach a deal, the federal district court in San Francisco court recently pushed back the deadline by a week to 28 June. A court hearing on the final settlement agreement is scheduled on 26 July. The San Francisco judge supervising the settlement negotiations, US District Judge Charles Breyer, has imposed a gag order, stressing the need to keep the talks confidential until an agreement can be presented to the court.

Volkswagen has set aside 16.2 billion euros (\$18.4 billion) to cover the costs of the scandal, including seven billion euros for legal risks. A settlement would not end Volkswagen's troubles in the United States.

The company needs to address similar charges over its 3.0 litre diesel cars with emissions-cheating devices. It also faces fines potentially running to the tens of billions of dollars from US regulators, and a criminal investigation over the scandal. At the same time it is facing similar charges and litigation in Europe and elsewhere for the same issues.

*Source: AFP*

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