

## Volkswagen Emission Scandal Transcript

Interview with [Ivy K Pendleton](#) – PR Strategist and Communications Expert

The Communications Agency Public Relations Division ( [TCA PR](#) )

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**Video URL:** [http://en.cncnews.cn/news/v\\_show/53717\\_VW\\_emission\\_scandal\\_.shtml](http://en.cncnews.cn/news/v_show/53717_VW_emission_scandal_.shtml)

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Turning to the latest on Volkswagen emission scandal...

A laboratory test carried out for BBC Panorama shows that Volkswagen diesel cars programmed with a "defeat device" can cheat official European pollution tests, as well as tests in the U.S.

The company told the BBC that it believes this is the first time the cheating software has been filmed in action.

VW has admitted it used the device to rig tighter pollution tests in America.

But it's been more ambiguous about whether it used the same tactics to actively cheat official European tests.

Panorama's results suggest that it did.

VW has confirmed that 8.5 million European cars have the software, 1.2 million of them in the UK.

The defeat device is a programme in the car's computer that can work out when it is being tested in a laboratory, and then cut poisonous nitrogen oxide (NOx) gas pollution from the exhaust pipe.

For years, this software allowed the company to pass strict US emissions laws yet still make a car that performed well on the road. Now it looks possible that VW was also cheating in Europe.

A side-effect of cutting NOx can often be lower miles-per-gallon.

The scandal, which involves millions vehicles worldwide, hit Volkswagen's business significantly, making the company lose billions of dollars at capital market.

It has forced its former chief executive Martin Winterkorn to resign and made the company being investigated in several countries.

A PR strategist from "The Communications Agency" says the scandal is going to affect the brand for the purposes of reputation management.

**SOUNDBITE (ENGLISH): IVY PENDLETON, PR strategist**

"Individuals are really vested in how they select vehicles - they're interested in the respect involved in purchasing a vehicle, they're interested in a number of factors, one of which is honesty and integrity... You know people who buy Volkswagens are committed, so I think in terms of the campaign of them trying to be more transparent now and bringing on new leadership, that they may be safe for right now, but if something else arises, I think it may teeter on the point of them losing those valued consumers."

Volkswagen's image has indeed been affected.

**SOUNDBITE(GERMAN)**

"I think this brand will be harmed by the scandal. When I buy a car, emission is an important factor for my choice. Therefore, I will not trust Volkswagen until this issue is solved."

**SOUNDBITE(ENGLISH)**

"I think that the scandal however is pretty, how should I say, damning.....for Volkswagen. I think they gotta do something to clean up the act. And I guess that it's going to hurt them financially pretty substantially, the stock price is going down and things like that. So I think they are going to pay a big price for it."

**SOUNDBITE(ENGLISH)**

"I almost bought one myself a couple of years ago, right now i'm glad that i didnt, but hopefully they will be able to fix it, because they were supposed to be that honorable brand that everybody stuck to. And I'm just not quite sure it is yet."

But there are still some loyal consumers that don't care about the scandal. A few people even think that all auto companies are doing the same thing - cheating the consumers.

**SOUNDBITE(ENGLISH)**

"I'd still buy a Volkswagen, they are still safe. And I'm sure whatever scandal they did, they will fix it."

**SOUNDBITE(ENGLISH)**

"To be honest i have no opinion. Our car drives well. I think, its hard to have an opinion when you own a car that there is a scandal going on about, is your car recalled? No our car is not on of the cars that have

been recalled. so you like VW? I do. Maybe I don't agree with the business decisions on their end, but I'm ok with ours."

**SOUNDBITE(ENGLISH)**

"Well, first of all I'm not surprised that they cheated their customers, but ah a lot of other brands, other car manufacturers are cheating, so I don't know. I don't trust anybody."

**SOUNDBITE(ENGLISH)**

"Well, I own a Volkswagen for one thing, not a diesel, but they are great cars, and as far as the scandal is concerned, my understanding is that pretty much all of the auto makers do this. They got caught. It's unfortunate, but not really that surprising."

Expert says Volkswagen's scandal is a warning for the whole auto industry.

**SOUNDBITE (ENGLISH): IVY PENDLETON, PR strategist**

"Car makers look at it as an opportunity to have a crisis management plan in place in case something were to go wrong in their organizations, that they will be prepared to handle the issues, so they are going to go back and look at their fissures, and make sure they don't become false."

Last week, Volkswagen has admitted there are more diesel vehicles that use defeat devices to circumvent emissions tests.

In a statement jointly released by the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB), Volkswagen installed defeat devices in all Volkswagen and Audi vehicles equipped with 3.0 liter diesel engines for model years 2009 through 2016.

Based on this information, they will continue to investigate and take all appropriate action under respective authorities.

The chief of the German association of automotive industry has said that the German auto industry is dismayed by the manipulation of emissions tests of Volkswagen.

**SOUNDBITE(GERMAN): MATTHIAS WISSMANN, Chief of German auto industry assn.**

"Germany's automotive industry as a whole will take measures to respond to questions. In recent days, BMW was faced with unjust condemnation. The company responded to it timely and some media also apology for it. So I think we can clarify the fact in order to avoid questions around the world."

Meanwhile, Pendleton mentions the emission-cheating scandal may affect the German economy to some degree.

**SOUNDBITE (ENGLISH): IVY PENDLETON, PR strategist**

"Well I think Volkswagen is the second largest automaker in Germany. And you know it creates 270 thousand jobs a year. So if the EPA assesses 18 billion dollars on VW, then they are going to have to compensate for that in other ways. So that may be a cut in jobs. And maybe the economy plummeting in Germany because they have so much of a market share in Germany - its going to be a trickle affect, you know you stop producing, you under produce - you know that's going to affect suppliers, the economy - because you know they have such a huge footprint in Germany."

Volkswagen has decided to offer those U.S. customers caught up in the diesel emissions cheating scandal 1,000 U.S. dollars in gift cards and vouchers.

The car manufacturer offered the money as a gesture of goodwill to 482,000 U.S. owners of the faulty cars.

It also offered free roadside assistance to those who have owned their cars for three years.

Volkswagen has already offered 2,000 dollars to current VW owners to trade their cars in for new vehicles as well as the 1,000 dollars gift cards and vouchers.

While Pendleton says that is going to backfire.

**SOUNDBITE (ENGLISH): IVY PENDLETON, PR strategist**

"I think that is less than 10 percent of the value of a Volkswagen, and strategically the 1000 dollars is around the Winter months, and when you look at the average amount that a Volkswagen dealers makes - that might not be a lot to them... So consumer says ok you've given us a thousand dollars, but the U.S. government also offers tax incentives for clean fuel vehicles so that may be more than a thousand dollars. They have been cheated. They have probably made a choice between clean diesel fuels, and Hybrids, so I think a Hybrid is going to be of better interest to them. and I think it might be better if the 1000 dollars went to the purchase of a hybrid rather than a VW with diesel fuel."

On Sept. 18, U.S. authorities issued a notice of violation charging Volkswagen AG, Audi AG and Volkswagen Group of America for installing software to manipulate emission tests in about 482,000 four-cylinder diesel cars sold in the United States since 2008.

On Nov. 2, a second notice of violation was issued, accusing Porsche AG and Porsche Cars North America besides those mentioned in the first notice, of installing software in their diesel cars equipped with six-cylinder engines for model 2014-2016 to circumvent emission standards

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