

EU fines German car makers \$1B over emission collusion

8 July 2021, by David McHugh and Raf Casert



In this Tuesday, Dec. 10, 2019 file photo commuters wait in traffic during the morning rush hour in Brussels. The European Union on Thursday, July 8, 2021 has fined four major German car manufacturers one 1 billion US dollars in fines because they colluded to limit the development and roll-out of car emission control systems. Credit: AP Photo/Francisco Seco, File

The European Union handed down \$1 billion in fines to major German car manufacturers Thursday, saying they colluded to limit the development and rollout of car emission-control systems.

Daimler, BMW and Volkswagen along with its Audi and Porsche divisions avoided competing on technology to restrict pollution from gasoline and diesel passenger cars, the EU's executive commission said. Daimler wasn't fined after it revealed the cartel to the European Commission.

It was the first time the European Commission imposed collusion fines on holding back the use of technical developments, not a more traditional practice like price fixing.

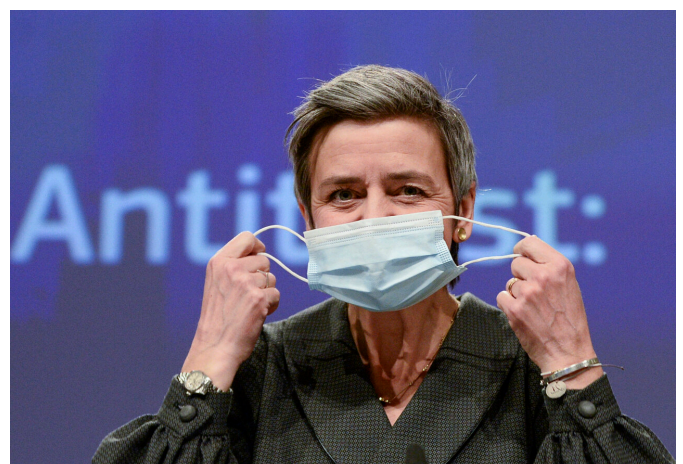
EU antitrust chief Margrethe Vestager said that

even though the companies had the technology to cut harmful emissions beyond [legal limits](#), they resisted competition and denied consumers the chance to buy less polluting cars.

"Manufacturers deliberately avoided to compete on cleaning better than what was required by EU emission standards. And they did so despite the relevant technology being available," Vestager said. That made their practice illegal, she said.

According to Vestager, the companies agreed on the size of onboard tanks containing a urea solution known as AdBlue that is injected into the exhaust stream to limit pollution from [diesel engines](#), and also on the driving ranges that could be expected before the tank needed refilling. A bigger tank would enable more pollution reduction.

Vestager said cooperation between companies is permissible under EU rules when it leads to efficiency gains, such as the faster introduction of new technologies. "But the dividing line is clear: Companies must not coordinate their behavior to limit the full potential of any type of technology," she said.



In this Wednesday, Feb. 10, 2021 file photo, European

Commissioner for Europe fit for the Digital Age Margrethe Vestager adjusts her protective face mask during a media conference on an anti-trust case at EU headquarters in Brussels. The European Union on Thursday, July 8, 2021 has fined four major German car manufacturers one 1 billion US dollars in fines because they colluded to limit the development and roll-out of car emission control systems. Credit: Johanna Geron, Pool Photo via AP, File

The scandal cost Wolfsburg, Germany-based Volkswagen 30 billion euros (\$35 billion) in fines and civil settlements and led to the recall of millions of vehicles. The Volkswagen vehicles in the scandal did not use the urea tanks but relied on another pollution reduction technology.

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Volkswagen said the investigation had ended with a finding that several other forms of cooperation under review were not improper under antitrust law.

"The (EU) Commission is breaking new legal ground with this decision, because it is the first time it has prosecuted technical cooperation as an antitrust violation," the [company](#) said in a statement. "It is also imposing fines even though the contents of the talks were never implemented and customers were therefore never harmed."

Volkswagen said that the [tank](#) sizes produced by all the carmakers involved were "two to three times" bigger than discussed in the talks. It said it was considering an appeal to the European Court of Justice.

BMW said that discussions on the AdBlue tanks had "no influence whatsoever on the company's product decisions." The company said it was significant that that the fine notice found there was no collusion involving earlier allegations of using software to restrict AdBlue dosing.

BMW said it set aside 1.4 billion euros (\$1.7 billion) based on the commission's initial accusations but reduced the set-aside in May due to more serious allegations in the case not being substantiated.

The case wasn't directly linked to the "dieselgate" scandal of the past decade, when Volkswagen admitted that about 11 million diesel vehicles worldwide were fitted with the deceptive software, which reduced nitrogen oxide emissions when the cars were placed on a test machine but allowed higher emissions and improved engine performance during normal driving.

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