

Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries
Semi Annual Reporting Table of Contents
For the Reporting Period Ending December 31, 2021

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Subparagraph 3.3.1.2.iii

No activity in the reporting period

Subparagraph 3.3.1.4

Semi-Annual Reporting Package includes a 3-year projected annual budget for the Tribal Administration Cost Subaccount, as well as balance statements for all subaccounts as of December 31, 2021.

The Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries

Trustee Descriptive Report for Period July 1, 2021 to December 31, 2021

As required under subparagraphs 3.3.1.6 and 3.3.1.7

Establishment, Purpose, Funding, and Modification of the Indian Tribe Trust

As a result of the landmark settlement in the United States District Court, Northern District of California (the “Court”), Volkswagen AG (“VW”) required VW to establish the **Environmental Mitigation Trust for Indian Tribe Beneficiaries** (the “Indian Tribe Trust”) and to make deposits¹ in the amounts of \$2.7 billion and \$225 million to be used to fund environmental mitigation action (EMA) projects that reduce emissions of nitrogen oxides (“NOx”) and to pay for Trust Administration Costs all in accordance with the terms of the Indian Tribe Trust. On March 15, 2017, the Court appointed Wilmington Trust, N.A. (“WTNA”) as the Trustee for the Indian Tribe Trust (the “Trustee”) and on October 2, 2017, the Indian Tribe Trust was established.

By the end of 2017, the Trustee had received approximately \$41.4 million was deposited into the Trust. The Trustee received from the Settling Defendants a deposit of approximately \$18 million at the end of 2018, which represented the Indian Tribe Trust’s portion of the final \$900 million required under the 2.0L Partial Consent Decree, meaning that the Indian Tribe Trust was considered fully funded.

The Indian Tribe Trust was previously modified in accordance with Paragraph 6.5 on two occasions:

1. Effective November 30, 2018, there were material modifications to the trust’s allocation formula in a manner that is consistent with the trust’s purpose “to timely and efficiently fund Eligible Mitigation Actions to be proposed and administered by the Beneficiaries” (subparagraph 2.0.3), while ensuring an equitable distribution of funds to participating Beneficiaries.
2. Effective June 18, 2020², there were a discreet number of modifications, including: a modification of Permitted Investments under Paragraph 3.2.1 to allow the investment of Trust Assets in the BlackRock Fed Fund (CUSIP 09248U809), other similar mutual funds, and U.S. Treasury bills, bonds, notes, and other government securities issued by agencies of the federal government; and an additional paragraph that allows electronic signatures and electronic retention of certain documents required under or related to the Indian Tribe Trust, as identified by the Trustee.

¹ Appendix D-1B allocates 2.03% of the deposited funds to the Indian Tribe Trust and 97.97% of the deposited funds to State Trust.

² A copy of the Indian Tribe Trust as modified on May 19, 2020 (and effective June 18, 2020) is posted on the Trust’s website at <https://www.vwenvironmentalmitigationtrust.com/tribe-trust-agreement>.

The Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries

In the reporting period, WTNA completed a number of actions permitted and required under the Trust Agreement and Consent Decrees, which included implementation of steps for the Fourth Funding Cycle; and, payment of Trust bills. A brief description of each of these actions is included below.

3.3.1.7 Actions taken in reporting period in accordance with Trust Agreement and Consent Decrees

Implementation of Steps for Fourth Funding Cycle under the Modified Indian Tribe Trust Agreement

In the reporting period, the Trustee implemented a number of actions required for the fourth funding cycle under the Modified Indian Tribe Trust Agreement.

Application of Per Capita and Pro-Rata Allocation and Notice to Each Participating

BeneficiaryIn the previous period (January 1, 2021 to June 30, 2021), the Trustee had received timely-filed Designated Beneficiary’s Participation Notices (Appendix D-6) submissions from 74 Beneficiaries, which enabled the Trustee to perform its allocation determinations.

As per subparagraph 5.0.5.3, “in order to ensure an equitable allocation of funds in the Tribal Allocation Subaccount among Beneficiaries to fund Eligible Mitigation Actions to be proposed and administered by the Beneficiaries, the Trustee ... [is required to] apply the allocation method set forth ...[in 5.0.5.3] in each funding cycle.

On June 30, 2021, according to 5.0.5.3.3 the Trustee allocated 50% of the available funding on a Per Capita Allocation and the other 50% of the available funding on a Pro Rata Population-based Allocation. On this date, the Trustee also transmitted an individualized notice to each of the 58 participating Beneficiaries regarding the Trustee’s allocation determination of the amount of funding available for each Beneficiary for the fourth funding cycle.

Receipt, Approval, and Funding of Beneficiary Eligible Mitigation Action Certification (Appendix D-4) Forms for Third Funding Cycle

During the reporting period (July 1, 2021 to December 31, 2021), the Trustee received and reviewed Beneficiary Eligible Mitigation Action Certification (Appendix D-4) Forms from 63 of the 74 federally recognized Indian Tribes that received individualized notices from the Trustee on June 30, 2021.

The Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries

From September through December, the Trustee disbursed approximately \$13 million³ to fund the approved Eligible Mitigation Actions of 47 of the 63 Indian Tribe Trust Beneficiaries which had filed an Appendix D-4 by the deadline. At the end of the period, 16 Beneficiary Tribes' disbursements totaling approximately \$3.3 million were still pending processing. As these disbursements will occur in 2022, they will be added to a subsequent report.

Payment of Trust Bills

In the period, the Indian Tribe Trust paid \$80,410.81 in Trust Administration Costs. The Indian Tribe Trust also paid approximately \$71,301.53 in costs to third-party professionals.

3.3.1.6 Previously unreported action taken by Trust that materially adversely affects Trust

Nothing to report.



By: _____
Name: Russell L. Crane, MBA
Title: Vice President
Wilmington Trust, N.A., as Trustee

Date: February 15, 2022

³ See Payments to Beneficiaries table on page 7 of this report.

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Trust Asset Statements and Investments Listing
December 31, 2021
(Dollars in thousands)

Portfolio(s)	Maturity Date	Rating	Amount
Tribal Allocation Subaccount			
Cash			\$ -
BlackRock Liquidity Fund			3,457
Marketable Securities at Costs			
U.S. Treasury Bills	03/10/2022	AAA	1,860
Marketable Securities at Costs Total			1,860
Accrued Interest Income			-
Tribal Allocation Subaccount Total			\$ 5,317
Tribal Tech Advisor Subaccount			
Cash			\$ -
BlackRock Liquidity Fund			293
Marketable Securities at Costs			
U.S. Treasury Bills	01/13/2022	AAA	335
U.S. Treasury Bills	03/10/2022	AAA	265
U.S. Treasury Bills	03/17/2022	AAA	130
U.S. Treasury Bills	03/24/2022	AAA	130
U.S. Treasury Bills	04/14/2022	AAA	75
U.S. Treasury Bills	06/30/2022	AAA	45
U.S. Treasury Bills	09/08/2022	AAA	35
Marketable Securities at Costs Total			1,015
Accrued Interest Income			-
Tribal Tech Advisor Subaccount Total			\$ 1,308

Subparagraphs:
3.3.1.1.i
3.3.1.1.ii

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Trust Asset Statements and Investments Listing
December 31, 2021
(Dollars in thousands)

Portfolio(s)	Maturity Date	Rating	Amount
Tribal Administration Cost Subaccount			
Cash			\$ -
BlackRock Liquidity Fund			442
Marketable Securities at Costs			
U.S. Treasury Bills	01/13/2022	AAA	500
U.S. Treasury Bills	03/17/2022	AAA	745
U.S. Treasury Bills	03/24/2022	AAA	645
U.S. Treasury Bills	04/14/2022	AAA	400
U.S. Treasury Bills	09/08/2022	AAA	50
Marketable Securities at Costs Total			2,340
Accrued Interest Income			-
Tribal Administration Cost Subaccount Total			\$ 2,782
Tribal Tax Subaccount			
Cash			\$ 797
Tribal Tax Subaccount Total			\$ 797
Tribal Advisory Council Subaccount			
Cash			\$ -
BlackRock Liquidity Fund			11
Marketable Securities at Costs			
U.S. Treasury Bills	01/13/2022	AAA	10
U.S. Treasury Bills	03/24/2022	AAA	10
Marketable Securities at Costs Total			20
Accrued Interest Income			-
Tribal Advisory Council Subaccount Total			\$ 31
Indian Tribe Trust Total			
Cash			\$ 797
BlackRock Liquidity Fund			4,203
Marketable Securities at Costs			5,234
Accrued Interest Income			-
Indian Tribe Trust Total			\$ 10,234

Subparagraphs:
3.3.1.1.i
3.3.1.1.ii

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Tribe Trust Payments and Administration Costs Line Item
October 2, 2017 through December 31, 2021
(Dollars in thousands)

Subaccount	Cumulative Paid
Tribal Allocation	
Trust Administrator Costs	\$ 69
Tribal Allocation Total	\$ 69
Tribal Tech Advisor	
Trust Administrator Costs	\$ 3
Tribal Tech Advisor Costs	1,473
Tribal Allocation Total	\$ 1,476
Tribal Administration Cost	
Trust Administrator Costs	\$ 101
Trust Counsel	980
Insurance	306
Audit	173
Accounting	117
Tax Return	98
Consultant	197
Website Support	9
Tax Counsel	202
Intralink	6
Contingency Expenses	28
Tribal Administration Cost Total	\$ 2,218
Tribal Tax	
Estimated State Taxes Paid	\$ 35
Tribal Tax Total	\$ 35
Indian Tribe Trust Total	\$ 3,798

Subparagraphs:

3.3.1.1.iii

3.3.1.3.i

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Payments to Recipients
December 31, 2021
(Dollars in thousands)

Recipient	2021	2020	2019	Cumulative
Beaver Village	\$ -	\$ -	\$ 68	\$ 68
Bishop Paiute Tribe	-	-	77	77
Blue Lake Rancheria	-	146	275	421
Central Council Tlingit & Haida Indian Tribes of Alaska	-	-	158	158
Chefornak Traditional Council	-	-	170	170
Cherokee Nation	3,566	2,097	2,600	8,263
Cheyenne River Sioux Tribe	-	339	567	906
Chickaloon Native Village	189	218	228	635
Citizen Potawatomi Nation, Oklahoma	480	557	555	1,592
Colorado River Indian Tribes of the Colorado River Indian Reservation, Arizona and California	201	231	-	432
Confederated Salish and Kootenai Tribes of the Flathead Reservation	349	400	-	749
Confederated Tribes and Bands of the Yakama Nation	-	390	645	1,035
Confederated Tribes of the Colville Reservation	-	298	304	602
Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians	22	26	101	149
Confederated Tribes of the Warm Springs Reservation of Oregon	225	253	-	478
Coquille Indian Tribe	-	-	118	118
Craig Tribal Association	-	159	-	159
Elk Valley Rancheria	-	-	28	28
Fallon Paiute-Shoshone Tribe	-	164	-	164
Forest County Potawatomi Community, Wisconsin	140	161	173	474
Fort Independence Indian Community	-	-	117	117
Fort McDowell Yavapai Nation, Arizona	150	-	-	150
Galena Village (Louden)	-	155	167	322
Gila River Indian Community of the Gila River Indian Reservation, Arizona	422	489	794	1,705
Gulkana Village Council	-	161	-	161
Holy Cross Village	131	-	-	131
Hoopa Valley Tribe, California	196	226	390	812
Hopi Tribe of Arizona	308	-	-	308
Huslia Village	133	-	-	133
Igiugig Village	127	-	-	127
Koyukuk Village Council	-	-	149	149
La Jolla Band of Luiseno Indians, California	137	-	-	137
Lower Brule Sioux Tribe of the Lower Brule Reservation, South Dakota	163	188	334	685
Manley Hot Springs Village	-	146	-	146
Mashantucket Pequot Indian Tribe	132	152	284	568
Minnesota Chippewa Tribe: Bois Forte Band	172	299	-	471
Minnesota Chippewa Tribe: Fond du Lac Band	172	298	960	1,430
Minnesota Chippewa Tribe: Mille Lacs Band	172	-	-	172
Mohegan Tribe of Indians of Connecticut	-	-	275	275
Muscogee (Creek) Nation	-	1,693	2,079	3,772
Native Village of Brevig Mission	-	-	169	169
Native Village of Diomedea	-	148	-	148
Native Village of Elim	-	154	-	154
Native Village of Kobuk	-	149	-	149
Native Village of Koyuk	-	-	167	167
Native Village of Minto	131	-	-	131
Native Village of Port Heiden	-	-	160	160
Native Village of Savoonga	-	164	177	341
Native Village of Stevens	-	-	76	76
Native Village of White Mountain	-	-	162	162
Nez Perce Tribe	197	227	237	661
Nulato Village	133	-	-	133
Oglala Sioux Tribe	-	662	1,056	1,718
Oneida Nation	249	-	-	249
Paiute-Shoshone Tribe of the Fallon Reservation and Colony, Nevada	142	-	-	142
Pala Band of Mission Indians	-	167	-	167
Prairie Band Potawatomi Nation	148	-	-	148
Pueblo of Cochiti, New Mexico	320	-	-	320
Pueblo of Isleta, New Mexico	210	242	420	872
Pueblo of Laguna, New Mexico	209	-	-	209
Pueblo of Sandia, New Mexico	144	-	-	144
Pyramid Lake Paiute Tribe	-	184	-	184
Quinalt Indian Nation	-	179	-	179
Red Cliff Band of Lake Superior Chippewa Indians of Wisconsin	152	175	187	514
Red Lake Band of Chippewa Indians, Minnesota	279	322	329	930
Rincon Band of Luiseno Mission Indians of the Rincon Reservation, California	140	161	-	301
Saint George Island	129	-	-	129
Saint Paul Island	137	-	-	137
Saint Regis Mohawk Tribe	208	241	249	698
Salt River Pima-Maricopa Indian Community of the Salt River Reservation, Arizona	250	288	489	1,027
San Pasqual Band of Diegueno Mission Indians of California	143	-	-	143
Sault Ste. Marie Tribe of Chippewa Indians, Michigan	159	179	194	532
Shageluk Native Village	128	-	-	128
Shoshone-Bannock Tribes	-	260	448	708
Swinomish Indian Tribal Community	145	167	179	491
The Chickasaw Nation	788	-	748	1,536
The Quapaw Tribe of Indians	161	185	334	680
Three Affiliated Tribes (MHA)	-	291	494	785
Upper Sioux Community	-	149	162	311
Ute Mountain Ute Tribe	-	384	-	384
Venetie Village	-	-	151	151
Village of Iliamna	-	147	-	147
White Mountain Apache Tribe of the Fort Apache Reservation, Arizona	469	543	876	1,888
Yocha Dehe Wintun Nation, California	127	146	159	432
Yurok Tribe of the Yurok Reservation, California	145	136	179	460
	\$ 13,030	\$ 15,296	\$ 19,418	\$ 47,744

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Trust Asset Allocation and Allocation Adjustment
December 31, 2021
(Dollars in thousands)

	Funding			Tax Transfer from Tribal Allocation and Administration Costs Subaccounts to Tribe Tax
	October 31, 2017	November 30, 2017	November 30, 2018	
Tribal Allocation	\$ 20,333	\$ 15,723	\$ 15,723	\$ (759)
Tribal Tech Advisor	1,070	828	828	(25)
Tribal Administration Cost	1,874	1,509	1,509	(47)
Tribal Advisory Council	30	-	-	-
	\$ 23,307	\$ 18,060	\$ 18,060	\$ (831)
Tribal Tax Subaccount	-	-	-	831
Total	\$ 23,307	\$ 18,060	\$ 18,060	\$ -

**Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Administration Costs Three Year Projected Budget**
(Dollars in thousands)

	2022	2023	2024	Total 3-year projected budget
Governance Costs				
Trust Administrator (Wilmington Trust) *	\$23	\$23	\$23	\$69
Subtotal for Governance Costs	\$23	\$23	\$23	\$69
Trust Professionals				
Trust Counsel	\$250	\$150	\$406	\$806
Trust Accountants	35	35	35	105
Tax Return Preparation	15	15	15	45
Trust Auditors	48	50	51	149
Insurance ***	-	-	250	250
Consultants	24	-	-	24
Website support **	-	-	-	-
Intralinks **	1	1	1	3
Tax Counsel	10	10	10	30
Subtotal for Trust Professionals	\$383	\$261	\$768	\$1,412
Other Expenses				
Contingency	\$25	\$25	\$25	\$75
Subtotal for Other Expenses	\$25	\$25	\$25	\$75
Total Reporting Costs	\$431	\$309	\$816	\$1,556

* includes quarterly Trustee Administration Fees, annual QSF Administration Fee, and estimated Trustee out-of-pocket expenses

** represents 2% of shared cost with State Trust (see subparagraph 2.1.3.2 of Indian Tribe Trust)