

Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries
Semi Annual Reporting Table of Contents
For the Reporting Period Ending December 31, 2022

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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, 2022.

The Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries

Trustee Descriptive Report for Period July 1, 2022 to December 31, 2022

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 January/February of 2022, the Trustee completed the final Beneficiary disbursements for the fourth (of four) funding cycle(s). WTNA published a Trustee's Accounting on February 28, 2022, as required under subparagraph 5.0.5.3.4.

Following the Trustee's Accounting, the United States Department of Justice held a discussion session (on May 24, 2022) with Indian Tribe Trust Beneficiaries, officials of the United States Environmental Protection Agency, and the Trustee to review the findings of the Trustee's Accounting and to consider alternatives. Varying recommendations and viewpoints were discussed, and the meeting wrapped up with a commitment to announce a fifth funding cycle, if viable, by May 31, 2022.

After further discussion, the United States and the Trustee agreed there were not sufficient funds in the Tribal Subaccounts Remainder Balance calculated in accordance with the Indian Tribe Trust Agreement to conduct a Fifth Funding Cycle. On June 1, 2022, the Trustee sent a notice to the 119 Designated Beneficiary Tribes indicating that a fifth funding cycle would not be held, adding that the United States and the Trustee will be holding further discussions to determine how funds remaining in the Indian Tribe Trust Subaccounts will be distributed, consistent with the purposes of the Trust.

In the reporting period, WTNA completed a number of actions permitted and required under the Trust Agreement and Consent Decrees, which included consultation with the United States 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

Trustee Consultation with United States

In the reporting period, the Trustee continued discussions with the United States to determine the best course of action with remaining funds.

Payment of Trust Bills

In the period, the Indian Tribe Trust paid \$133,665.67 in Trust Administration Costs. The Indian Tribe Trust also paid approximately \$119,512.89 in costs to third-party professionals.

**The Volkswagen Diesel Emissions Environmental Mitigation Trust
for Indian Tribe Beneficiaries**

**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: March 20, 2023

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Trust Asset Statements and Investments Listing
December 31, 2022
(Dollars in thousands)

Portfolio(s)	Maturity Date	Rating	Amount
Tribal Allocation Subaccount			
Cash			\$ -
BlackRock Liquidity Fund			2,072
Marketable Securities at Costs			-
Marketable Securities at Costs Total			-
Accrued Interest Income			6
Tribal Allocation Subaccount Total			\$ 2,078
Tribal Tech Advisor Subaccount			
Cash			\$ -
BlackRock Liquidity Fund			1,321
Marketable Securities at Costs			-
Marketable Securities at Costs Total			-
Accrued Interest Income			4
Tribal Tech Advisor Subaccount Total			\$ 1,325

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, 2022
(Dollars in thousands)

Portfolio(s)	Maturity Date	Rating	Amount
Tribal Administration Cost Subaccount			
Cash			\$ -
BlackRock Liquidity Fund			2,540
Marketable Securities at Costs			
Marketable Securities at Costs Total			-
Accrued Interest Income			8
Tribal Administration Cost Subaccount Total			\$ 2,548
Tribal Tax Subaccount			
Cash			\$ 833
Tribal Tax Subaccount Total			\$ 833
Tribal Advisory Council Subaccount			
Cash			\$ -
BlackRock Liquidity Fund			31
Marketable Securities at Costs			
Marketable Securities at Costs Total			-
Accrued Interest Income			-
Tribal Advisory Council Subaccount Total			\$ 31
Indian Tribe Trust Total			
Cash			\$ 833
BlackRock Liquidity Fund			5,964
Marketable Securities at Costs			-
Accrued Interest Income			18
Indian Tribe Trust Total			\$ 6,815

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, 2022
(Dollars in thousands)

Subaccount	Cumulative Paid
Tribal Allocation	
Trust Administrator Costs	\$ 70
Tribal Allocation Total	\$ 70
Tribal Tech Advisor	
Trust Administrator Costs	\$ 4
Tribal Tech Advisor Costs	1,473
Tribal Allocation Total	\$ 1,477
Tribal Administration Cost	
Trust Administrator Costs	\$ 122
Trust Counsel	1,113
Insurance	306
Audit	213
Accounting	163
Tax Return	109
Consultant	197
Website Support	10
Tax Counsel	217
Intralink	8
Contingency Expenses	28
Tribal Administration Cost Total	\$ 2,487
Tribal Tax	
Estimated State Taxes Paid	\$ 35
Tribal Tax Total	\$ 35
Indian Tribe Trust Total	\$ 4,069

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, 2022
(Dollars in thousands)

Recipient	2022	2021	2020	2019	Cumulative
Akiachak Native Community	\$ 142	\$ -	\$ -	\$ -	\$ 142
Beaver Village	-	-	-	68	68
Bishop Paiute Tribe	-	-	-	77	77
Blue Lake Rancheria	127	-	146	275	548
Campo Band of Diegueno Mission Indians of the Campo Indian Reservation, California	133	-	-	-	133
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	293	-	339	567	1,199
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	337	-	390	645	1,372
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	138	-	159	-	297
Elk Valley Rancheria	-	-	-	28	28
Fallon Paiute-Shoshone Tribe	-	-	164	-	164
Forest County Potawatomi Community, Wisconsin	-	140	161	173	474
Fort Independence Indian Community	128	-	-	117	245
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
Metlakatla Indian Community, Annette Island Reserve	160	-	-	-	160
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 Decring	129	-	-	-	129
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	571	-	662	1,056	2,289
Oneida Nation	-	249	-	-	249
Paiute-Shoshone Tribe of the Fallon Reservation and Colony, Nevada	-	142	-	-	142
Pala Band of Mission Indians	145	-	167	-	312
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	113	-	184	-	297
Quinault 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	226	-	260	448	934
Sisseton-Wahpeton Oyate of the Lake Traverse Reservation, South Dakota	242	-	-	-	242
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
Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota	251	-	-	-	251
Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California	130	-	-	-	130
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
	\$ 3,265	\$ 13,030	\$ 15,296	\$ 19,418	\$ 51,009

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Trust Asset Allocation and Allocation Adjustment
December 31, 2022
(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)

	2023	2024	2025	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	\$306	\$150	\$50	\$506
Trust Accountants	35	35	35	105
Tax Return Preparation	15	15	15	45
Trust Auditors	50	51	50	151
Insurance ***	-	55	-	55
Consultants	-	-	-	-
Website support **	0	0	0	1
Intralinks **	2	2	-	4
Tax Counsel	10	10	10	\$30
Subtotal for Trust Professionals	\$418	\$318	\$160	\$897
Other Expenses				
Contingency	\$25	\$25	\$0	\$50
Subtotal for Other Expenses	\$25	\$25	\$0	\$50
Total Reporting Costs	\$466	\$366	\$183	\$1,016

* 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)