

Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries
Semi Annual Reporting Table of Contents
For the Reporting Period Ending December 31, 2020

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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, 2020.

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

**Trustee Descriptive Report
for Period July 1, 2020 to December 31, 2020**

As required under subparagraphs 3.3.1.6 and 3.3.1.7

Establishment, Purpose, and Funding 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 at the start of this reporting period.

The Indian Tribe Trust was previously modified in accordance with Paragraph 6.5 on November 15, 2018 to make 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. In accordance with the requirements of Paragraph 6.5 those material modifications were filed with the Court on November 30, 2018 and those modifications became effective on November 30, 2018.

In the reporting period (July 1, 2020 to December 31, 2020), WTNA completed a number of actions permitted and required under the Trust Agreement and Consent Decrees, which included implementation of steps for the Third Funding Cycle; and, payment of Trust bills. A brief description of each of these actions is included below.

¹ Appendix D-1B allocates 97.97% of the deposited funds to the Environmental Mitigation Trust for State Beneficiaries, Puerto Rico, and the District of Columbia (the “State Trust”) and 2.03% of the funds to the Environmental Mitigation Trust for Indian Tribe Beneficiaries (the “Indian Tribe Trust”).

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

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

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

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

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

In the previous period (January 1, 2020 to June 30, 2020), the Trustee had received timely-filed Designated Beneficiary's Participation Notices (Appendix D-6) submissions from 58 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 29, 2020, 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 third 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, 2020 to December 2020), the Trustee received and reviewed Beneficiary Eligible Mitigation Action Certification (Appendix D-4) Forms from 50 of the 58 federally-recognized Indian Tribes that received individualized notices from the Trustee on June 29, 2020.

From October through November, the Trustee disbursed approximately \$14.8 million to fund the approved Eligible Mitigation Actions of 49 of the 50 Indian Tribe Trust Beneficiaries detailed in Table 1. One Indian Tribe Trust Beneficiary had a distribution that was approved, but which was held up pending receipt by the Trustee of additional documentation at the end of the period.

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

Table 1. Approved Third Funding Cycle Eligible Mitigation Actions Disbursed in the Reporting Period

Tribal Beneficiary Name	Action Title	Amount Paid	Date
Blue Lake Rancheria	Freightliner Stepvan Replacement	\$146,133.00	10/27/2020
Bois Forte Band of Chippewa	Bois Forte Band of Chippewa Truck Replacement	\$299,263.00	10/19/2020
Cherokee Nation	Cherokee Nation's 3rd Round Zero Emission Project	\$2,097,295.00	11/9/2020
Cheyenne River Sioux Tribe	CRST Large Truck Replacement Project	\$338,526.00	11/5/2020
Chickaloon Native Village	Replacement of Class 4-7 Trucks	\$217,501.00	11/2/2020
Citizen Potawatomi Nation	CPN 2020 Vehicle Replacement Project	\$556,605.00	10/8/2020
Colorado River Indian Tribes	CRIT VW Third Cycle NOx Reduction Project	\$231,474.00	10/27/2020
Confederated Salish & Kootenai Tribes	CSKT Truck Repl. & Electric Vehicle Charging Station	\$400,347.66	11/18/2020
Confederated Tribes and Bands of the Yakama Nation	Yakama Nation's Rd. 3 Diesel Vehicle Replacement Project	\$390,233.00	11/6/2020
Confederated Tribes of the Colville Reservation	Replace Public Works Vehicles	\$297,644.00	11/3/2020
Confederated Tribes of Coos, Lower Umpqua & Siuslaw Indians	CTCLUSI EV Station Install	\$25,745.00	11/12/2020
Confederated Tribes of the Warm Spring Reservation	Class 4-7 Local Freight Trucks (Medium Trucks)	\$253,000.00	11/3/2020
Craig Tribal Association	Replacement of older Class 8 diesel Dump Truck	\$158,853.00	11/5/2020
Fallon Paiute-Shoshone Tribe	Replacement of one Class 8 Dump Truck	\$163,715.00	11/17/2020
Fond du Lac Band of Lake Superior Chippewa	Diesel Vehicle Replacement, third round	\$297,552.49	10/27/2020
Forest County Potawatomi	Replacement of Diesel Dump/Plow Truck	\$160,657.00	10/13/2020
Galena Village	Diesel Engine Replacement and Powerhouse Upgrade	\$154,847.00	12/9/2020
Gila River Indian Community	Round 3 Replacement of GRIC Fleet Vehicles	\$488,968.00	12/2/2020
Hoopa Valley Tribe	Replacement of 1 Class 8 Truck and 1 Class 5 Truck	\$226,490.00	11/3/2020
Lower Brule Sioux Tribe	Farm Truck Diesel Emissions Reduction	\$187,626.00	10/19/2020
Manley Hot Springs Village	Replacement of Two Stationary Power Generators	\$145,735.00	12/4/2020
Mashantucket Pequot Indian Tribe	Replacement of (1) Diesel Truck (Class 8)	\$151,759.00	10/7/2020
Muscogee (Creek) Nation	Replace 7 Vehicles and Install 2 Electric Vehicle Charging Station	\$1,692,801.00	10/27/2020
Native Village of Diomedea	Diesel Generator Emissions Improvement Project	\$148,304.00	11/16/2020
Native Village of Elim	Replacement of Dump Truck, Elim	\$154,266.00	11/16/2020
Native Village of Kobuk	Replacement of 1992 Class 8 Dump Truck	\$149,099.00	10/30/2020
Native Village of Savoonga	Replacement of Dump Truck, Savoonga	\$164,418.00	11/16/2020
Nez Perce Tribe	Replacement of Class 8 Truck & Class 5 Bus	\$227,255.00	11/3/2020
Oglala Sioux Tribe	Oglala Sioux Tribe Large Truck Replacement Project	\$661,883.00	11/13/2020
Pala Band of Mission Indians	Diesel Vehicle Replacement	\$166,528.00	11/2/2020
Pueblo of Cochiti	Replacement of one EMA 6 vehicle	\$171,053.00	PENDING
Pueblo of Isleta	Pueblo of Isleta NOx Reduction Project	\$241,871.00	11/6/2020
Pyramid Lake Paiute Tribe	Truck Replacement & Electric Vehicle Charging Station	\$183,614.00	12/4/2020
Quapaw Tribe of Indians (The)	Quapaw Tribe Eligible Mitigation Action Project	\$185,119.00	10/29/2020
Quinalt Indian Nation	Replacement of 1, 3-Axle Dump Truck	\$178,514.00	11/2/2020
Red Cliff Band of Lake Superior Chippewa	Roads Dept. Class 5 Vehicle Replacement Project	\$175,028.00	10/16/2020
Red Lake Band of Chippewa Indians	Replace Class 7 & 8 Trucks	\$322,443.00	10/30/2020
Rincon Band of Luiseño Indians	Rincon Band of Luiseño Indians Round 3 Trash Truck Replacement Project	\$160,565.00	10/27/2020
Saint Regis Mohawk Tribe	SRMT NOx Reduction	\$240,678.00	10/21/2020
Salt River Pima-Maricopa Indian Community	Garbage Dump Truck Replacement	\$288,410.00	10/5/2020
Sault Ste. Marie of Chippewa Indians	Replacement of 1 Class 8 Local Freight Truck	\$179,375.36	10/19/2020
Shoshone-Bannock Tribes	Replacement of Class 8 Truck	\$260,401.00	10/30/2020
Swinomish Indian Tribal Community	Replacement of Medium Trucks and ZEV Supply Equip. Acquisition	\$167,384.00	11/3/2020
Three Affiliated Tribes	Replacement of two Class 8 trucks	\$290,581.00	12/23/2020
Village of Iliamna	Replacement of 1 Class 7 Wastehauler - Septic Pumper Vehicle	\$147,111.00	12/14/2020
Upper Sioux Community	Replacement of Diesel Plow Truck	\$149,007.00	10/13/2020
Ute Mountain Ute Tribe	Diesel Propane Delivery Truck Project	\$176,796.50	12/17/2020
White Mountain Apache Tribe	VW Settlement 3	\$542,876.00	10/13/2020
Yocha Dehe Wintun Nation	Yocha Dehe Wintun Nation Truck Replacement Project	\$146,224.00	10/16/2020

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

COVID-19 Pandemic and Minor Modifications to the Trust Agreement

In light of the COVID-19 pandemic, the United States and Trustee agreed to a discreet number of minor modifications to the Indian Tribe Trust to address issues arising from market disruptions and State and Tribe-mandated office closures due to the COVID-19 pandemic.

In summary, the agreed changes include:

- 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.

A current copy of the Indian Tribe Trust as modified on May 19, 2020 is posted on our website at <https://www.vwenvironmentalmitigationtrust.com/tribe-trust-agreement>.

Payment of Trust Bills

In the period, the Indian Tribe Trust paid \$119,000 in Trust Administration Costs. The Indian Tribe Trust also paid approximately \$103,000 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: February 15, 2021

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Trust Asset Statements and Investments Listing
December 31, 2020
(Dollars in thousands)

Portfolio(s)	Maturity Date	Rating	Amount
Tribal Allocation Subaccount			
BlackRock Liquidity Fund			\$ 1,041
Marketable Securities at Costs			
U.S. Treasury Bills	01/07/2021	AAA	6,088
U.S. Treasury Bills	01/21/2021	AAA	2,949
U.S. Treasury Bills	02/04/2021	AAA	1,860
U.S. Treasury Bills	02/18/2021	AAA	2,195
U.S. Treasury Bills	02/25/2021	AAA	2,105
U.S. Treasury Bills	05/27/2021	AAA	2,104
Marketable Securities at Costs Total			17,300
Accrued Interest Income			3
Tribal Allocation Subaccount Total			\$ 18,344
Tribal Tech Advisor Subaccount			
BlackRock Liquidity Fund			\$ 58
Marketable Securities at Costs			
U.S. Treasury Bills	01/07/2021	AAA	185
U.S. Treasury Bills	01/14/2021	AAA	75
U.S. Treasury Bills	01/21/2021	AAA	200
U.S. Treasury Bills	01/28/2021	AAA	35
U.S. Treasury Bills	02/04/2021	AAA	65
U.S. Treasury Bills	02/18/2021	AAA	135
U.S. Treasury Bills	02/25/2021	AAA	215
U.S. Treasury Bills	03/04/2021	AAA	95
U.S. Treasury Bills	03/11/2021	AAA	200
U.S. Treasury Bills	05/27/2021	AAA	210
U.S. Treasury Bills	06/17/2021	AAA	130
Marketable Securities at Costs Total			1,545
Accrued Interest Income			-
Tribal Tech Advisor Subaccount Total			\$ 1,603

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, 2020
(Dollars in thousands)

Portfolio(s)	Maturity Date	Rating	Amount
Tribal Administration Cost Subaccount			
BlackRock Liquidity Fund			\$ 314
Marketable Securities at Costs			
U.S. Treasury Bills	01/07/2021	AAA	635
U.S. Treasury Bills	01/14/2021	AAA	265
U.S. Treasury Bills	01/21/2021	AAA	215
U.S. Treasury Bills	02/18/2021	AAA	180
U.S. Treasury Bills	02/25/2021	AAA	420
U.S. Treasury Bills	03/04/2021	AAA	160
U.S. Treasury Bills	03/11/2021	AAA	230
U.S. Treasury Bills	06/17/2021	AAA	215
U.S. Treasury Bills	05/27/2021	AAA	370
Marketable Securities at Costs Total			2,689
Accrued Interest Income			-
Tribal Administration Cost Subaccount Total			\$ 3,003
Tribal Tax Subaccount			
Cash			\$ 797
Tribal Tax Subaccount Total			\$ 797
Tribal Advisory Council Subaccount			
BlackRock Liquidity Fund			\$ 6
Marketable Securities at Costs			
U.S. Treasury Bills	02/25/2021	AAA	10
U.S. Treasury Bills	01/21/2021	AAA	5
U.S. Treasury Bills	05/27/2021	AAA	10
Marketable Securities at Costs Total			25
Accrued Interest Income			-
Tribal Advisory Council Subaccount Total			\$ 31
Indian Tribe Trust Total			
Cash			\$ 797
BlackRock Liquidity Fund			1,419
Marketable Securities at Costs			21,559
Accrued Interest Income			3
Indian Tribe Trust Total			\$ 23,778

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, 2020
(Dollars in thousands)

Subaccount	Cumulative Paid
Tribal Allocation	
Trust Administrator Costs	\$ 62
Tribal Allocation Total	\$ 62
Tribal Tech Advisor	
Trust Administrator Costs	\$ 2
Tribal Tech Advisor Costs	1,179
Tribal Allocation Total	\$ 1,181
Tribal Administration Cost	
Trust Administrator Costs	\$ 67
Trust Counsel	857
Insurance	307
Audit	124
Accounting	94
Tax Return	98
Consultant	190
Website Support	10
Tax Counsel	171
Intralink	3
Contingency Expenses	43
Tribal Administration Cost Total	\$ 1,964
Tribal Tax	
Estimated State Taxes Paid	\$ 3
Tribal Tax Total	\$ 3
Tribal Advisory Council	
Trust Administrator Costs	\$ 2
Tribal Advisory Council Total	\$ 2
Indian Tribe Trust Total	\$ 3,212

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, 2020
(Dollars in thousands)

Recipient	2020	2019	Cumulative
Beaver Village	\$ -	\$ 68	\$ 68
Bishop Paiute Tribe	-	77	77
Blue Lake Rancheria	146	275	421
Bois Forte Band of Chippewa	299	-	299
Central Council Tlingit & Haida Indian Tribes of Alaska	-	158	158
Chefornak Traditional Council	-	170	170
Cherokee Nation	2,097	2,600	4,697
Cheyenne River Sioux Tribe	339	567	906
Chickaloon Native Village	218	228	446
Citizen Potawatomi Nation	557	555	1,112
Colorado River Indian Tribes	231	-	231
Confederated Salish & Kootenai Tribes	400	-	400
Confederated Tribes and Bands of the Yakama Nation	390	645	1,035
Confederated Tribes of Coos, Lower Umpqua & Siuslaw Indians	26	101	127
Confederated Tribes of the Colville Reservation	298	304	602
Confederated Tribes of the Warm Spring Reservation	253	-	253
Coquille Indian Tribe	-	118	118
Craig Tribal Association	159	-	159
Elk Valley Rancheria	-	28	28
Fallon Paiute-Shoshone Tribe	164	-	164
Fond du Lac Band of Lake Superior Chippewa	298	-	298
Forest County Potawatomi	161	173	334
Fort Independence Indian Community	-	117	117
Galena Village	155	-	155
Galena Village (Louden)	-	167	167
Gila River Indian Community	489	794	1,283
Gulkana Village Council	161	-	161
Hoopa Valley Tribe	226	390	616
Koyukuk Village Council	-	149	149
Lower Brule Sioux Tribe	188	334	522
Manley Hot Springs Village	146	-	146
Mashantucket Pequot Indian Tribe	152	284	436
Minnesota Chippewa Tribe (Fond du Lac)	-	365	365
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 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	227	237	464
Oglala Sioux Tribe	662	1,056	1,718
Pala Band of Mission Indians	167	-	167
Pueblo of Isleta	242	420	662
Pyramid Lake Paiute Tribe	184	-	184
Quapaw Tribe of Indians (The)	185	334	519
Quinault Indian Nation	179	-	179
Rincon Band of Luiseño Indians	161	-	161
Saint Regis Mohawk Tribe	241	249	490
Salt River Pima-Maricopa Indian Community	288	489	777
Sault Ste. Marie of Chippewa Indians	179	194	373
Shoshone-Bannock Tribes	260	448	708
Swinomish Indian Tribal Community	167	179	346
The Chickasaw Nation	-	748	748
The Fond du Lac Band of Lake Superior Chippewa	-	595	595
The Red Cliff Band of Lake Superior Chippewa	175	187	362
The Red Lake Band of Chippewa Indians	322	329	651
Three Affiliated Tribes	291	-	291
Three Affiliated Tribes (MHA)	-	494	494
Upper Sioux Community	149	162	311
Ute Mountain Ute Tribe	207	-	207
Ute Mountain Ute Tribe	177	-	177
Venetie Village	-	151	151
Village of Iliamna	147	-	147
White Mountain Apache Tribe	543	876	1,419
Yocha Dehe Wintun Nation	146	159	305
Yurok Tribe	136	179	315
	\$ 15,296	\$ 19,418	\$ 34,714

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Trust Asset Allocation and Allocation Adjustment
December 31, 2020
(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	\$ (124)
Tribal Tech Advisor	1,070	828	828	(3)
Tribal Administration Cost	1,874	1,509	1,509	(13)
Tribal Advisory Council	30	-	-	-
	\$ 23,307	\$ 18,060	\$ 18,060	\$ (140)
Tribal Tax Subaccount	-	-	-	140
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)

	2021	2022	2023	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	\$140	\$45	\$206	\$391
Trust Accountants	58	58	58	174
Tax Return Preparation	15	15	15	45
Trust Auditors	50	50	50	150
Consultants	24	24	-	48
Website support **	-	-	-	-
Intralinks **	1	1	1	3
Tax Counsel	10	10	10	\$30
Subtotal for Trust Professionals	\$298	\$203	\$340	\$841
Other Expenses				
Contingency	\$25	\$25	\$25	\$75
Subtotal for Other Expenses	\$25	\$25	\$25	\$75
Total Reporting Costs	\$346	\$251	\$388	\$985

* 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)