



April 10, 2017

Mary Nichols
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: VOLKSWAGEN SETTLEMENT

Dear Chair Nichols and Board Members,

Thank you for the opportunity to comment on the Volkswagen California ZEV Investment Plan: Cycle 1 Report. These comments aim to assist Volkswagen Group of America in improving the accessibility of clean energy vehicles and infrastructure in disadvantaged communities by ensuring that resources available are invested in regions most burdened by, and vulnerable to, high levels of pollution.

The undersigned organizations work alongside and support the most impacted communities to advocate for sound policy and eradicate injustice to secure equal access to opportunity regardless of wealth, race, income and place. We work with community leaders throughout the San Joaquin Valley and Eastern Coachella Valley to ensure meaningful investment in the communities most in need. As currently drafted, the invested plan fails to prioritize these communities and further creates a green divide between rural and metropolitan cities. CARB guidance explicitly states that ZEV investment has tremendous potential benefits in low-income communities and calls for the prioritization of projects in disadvantaged, low-income or other disproportionately impacted areas. However, the majority of the funding is being invested in metropolitan cities who have greater accessibility and opportunity to clean energy vehicles. We recommend that you do not move forward with approving the proposed investment plan until it meaningfully addresses the needs and opportunities in underserved areas. We offer the following recommendations to help guide the investment planning process and ensure that equitable and sustainable investment reaches communities most in need.

I. Stricter Evaluation Metrics

The \$800 million investment that will be divided into four 30-month cycles needs to have strong evaluation metrics to inform both policy and future investment cycles, especially for disadvantaged communities. These metrics will help create strong guiding principles that account for barriers and existing inequities when identifying areas of investment. Additionally, these evaluation metrics should require a detailed community participation component before developing projects and identifying funding prioritization. We recommend the following metrics to improve future investment cycles:

1. Use the state mapping tool CalEnviroScreen 3.0 to prioritize investment of charging stations in disadvantaged communities beyond proposed highway networks.
2. Each funding cycle must require a public process component that includes community residents and community based organizations to advise on project criteria and funding prioritization.
3. Each funding cycle should have a set aside of at least 35% for projects in rural disadvantaged communities consistent with CARB's recommendation for: a significant percentage (at least 35 percent) investment in disadvantaged, low-income, underserved and disproportionately impacted communities" (CARB guidelines, pg. 10).
4. The California ZEV Investment Plan should include a community assessment process that includes data, statistics, and community input in order understand community barriers and needs.
5. Change methodology used to forecast market penetration rates as a guiding principle and instead use a methodology that accounts for historic inequities in communities. This methodology should use CalEnviroScreen scores, public health data, and lack of access to electric vehicles and charging stations in communities.
6. All Green City initiatives and projects created through this investment plan must advance career development opportunities for residents in disadvantaged communities through community benefit agreements.

II. Inequitable Investment in Disadvantaged Communities

We believe that the proposed investment plan does not accurately represent the needs of disadvantaged communities and is unfair to the regions that are most vulnerable to climate impact and pollution. The investment plan also uses a series of very flawed guiding principles to identify infrastructure investment. Electrify America calls for a focus on areas with expected high utilization of ZEV and anticipated charging behaviors. This inevitably presents a huge disadvantage and perpetuates disinvestment for many communities in the San Joaquin and East Coachella valley. The focus of the investment plan should be on infrastructure investment in these two regions of the state and in disadvantaged communities.

Electrify America has identified metropolitan cities such as Los Angeles, San Francisco, San Jose, San Diego, and Sacramento as funding priorities for charging stations in cycle one. This investment plan has failed to prioritize disadvantaged communities who are most burdened by pollution and who have not seen the investment they deserve in the form of clean energy and infrastructure. Instead, funding is being prioritized in regions where there is a greater abundance of charging stations and a greater investment for clean energy solutions. Meanwhile, disadvantaged communities throughout the San Joaquin and East Coachella valley continue to be left behind. This disparity can be best summarized by a comment made by Francisco Mendez, a Fresno resident.

"We need more access and connectivity to charging stations. We cannot buy electric vehicles without having accessible stations to charge them. It is for example like buying a cell phone that comes with no charger. The phone will eventually die and be useless. We need more charging stations in small communities throughout the San Joaquin Valley like Delano, Bakersfield, Merced, and Fresno. We don't need more in big cities who have sufficient charging stations. If we were to use electric vehicles in the freeway we would get stranded all the time because they are simply not there."

We will not be able to reach our ambitious state climate goals that include putting 1.5 million electric vehicles on the road by 2025 if we do not prioritize the communities most affected by pollution.

III. Green City Initiatives Rural Set Aside

The proposed Green City initiative should have a rural set aside to ensure that disadvantaged communities throughout the San Joaquin and East Coachella Valley have equal access to funding for foundational infrastructure and planning. Many rural disadvantaged communities throughout California suffer from the worst air quality in the U.S. These communities also rely on high polluting vehicles as their source of transportation because it is cheaper and more accessible than clean energy cars. Furthermore, local transit in rural communities is inefficient, unreliable, or oftentimes non-existent which further limits their ability to reduce vehicles miles traveled to help improve air quality. The 2014, Next Generation report "No Californian Left Behind" states that 10-15% of old model vehicles ranging from mid-1990 or earlier produce half of the state's air pollution. According to Next Generation, many of the 2-3.5 million high emitting vehicles that are unable to pass emissions tests are located in low-income communities throughout the San Joaquin Valley. Additionally, less densely developed rural communities have less connectivity within and between communities, which means they have to drive longer distances. A 2009 report by the National Household Travel Survey showed that residents in rural communities drove an average of 48% more than urban vehicle owners and spend 46% more on gasoline annually. The prioritization of funding in these communities will allow residents to have the

necessary services and opportunities to move a step closer to electric vehicle accessibility. This investment will allow for economic development, air quality improvement, and equitable solutions in rural disadvantaged communities. Additionally, this rural set aside will guarantee that projects like Huron's *Green Raiteros* and *Van y Vienen*, an electric vehicle rideshare program designed by community leaders in the rural unincorporated communities of Cantua Creek and El Porvenir continue to increase access to opportunity and basic services. Another alternative to create equitable solution and help transform disadvantaged communities is the Transformative Climate Program (TCC). The purpose of this program is to create comprehensive and transformative investments at the neighborhood level to help reduce GHG and create other co-benefits in the state's most disadvantaged communities. The investment plan should mirror the TCC program and leverage dollars in a similar fashion to ensure that rural disadvantaged communities have equal opportunity to funds.

Lastly, the investment plan does not specify how projects and locations will be identified for the Green City Initiatives. We recommend that priority for projects is given to communities where access and utilization of electric vehicles is low and that development of project ideas is done by communities most impacted by pollution.

IV. Prioritize ZEV Public Education Campaigns in Disadvantaged Communities

The investment plan states that the purpose of the education campaigns is to "increase the public's awareness of and exposure to ZEV through targeted campaigns in markers where there are significant opportunities to increase the adoption of ZEV." However, the current proposed investment plan further limits the opportunities of communities throughout the San Joaquin and East Coachella valley from transitioning to clean energy vehicles. In addition to the historical disinvestment in these communities, residents also lack access to information. Access to information is critical for enabling community resident to build capacity, learn about opportunities, be part of the development process, and educate others about the needs in their community. For these reasons, ZEV public education campaigns should be prioritized in disadvantaged rural communities where the need for clean vehicles is greater. We recommend that the investment plan include educational programs that help residents apply and understand the process of obtaining electric vehicles in schools, transit agencies hearings, and community meetings. This will allow residents and youth to learn about clean energy technology and broaden career opportunities. All public education campaigns and other information provided should be properly distributed in multiple languages.

V. Reprioritize Investment Selection Methodology to Include Public Health

Since a goal of the ZEV investment plan is to fully mitigate the environmental harm produced by Volkswagen's 2.0L diesel vehicles we suggest that public health of disproportionately affected disadvantaged communities be at the forefront of proposed site selection methodology for the

ZEV investment plan. We believe this investment plan fails to address the communities most historically and disproportionately affected by the air pollution generated by Volkswagen's malpractice.

Furthermore, the San Joaquin Valley is also expected to experience population growth at higher rates than the rest of the State which will lead to increased traffic in an area with the highest quantifiable levels of air pollution. Substantive investment in the San Joaquin Valley will directly mitigate current and future trends of greenhouse gas emissions and air pollution.

Figure 9: Overview of city selection methodology within the ZEV Investment Plan includes Fresno amongst the initial list of cities to be considered but is not among the final five metropolitan areas. If public health concerns were considered at the forefront, Fresno along with the surrounding disadvantaged rural communities should be at the top of the list in similar fashion to Transformative Climate Communities funding. Enabled by AB 2722, the Strategic Growth Council administered \$140 million in Greenhouse Gas Reduction funds to disadvantaged areas within the top percentiles of CalEnviroScreen. This funding cycle, Fresno will receive \$70 million of the available funds. This round of TCC funding establishes precedent for equitable investment intended and we recommend using a similar framework of place-based investment within disadvantaged areas within the San Joaquin and East Coachella Valleys.

Furthermore, we recommend CARB close the loophole contained in the Consent decree that states: “ A description of all California ZEV Investments that the Settling Defendants will make, including infrastructure, access, and education, as well as including measures to increase access in underserved areas, though each California Investment need not contain all four components” (Consent Decree 3.3.2.1). Allowing for “increased access in underserved areas” to be bypassed in decision-making will only serve to hinder development and the public health of the San Joaquin and East Coachella Valleys.

VI. Incorporate Public Health and Environmental Justice Research in Supporting Literature Component

This ZEV investment plan concludes with a review of “a number of sources from peer-reviewed academic literature, government, and industry” that skews towards urban regions. Appendix C of the Partial Consent Decree requires “an explanation, taking into account relevant literature from academia, industry, and government” (Consent Decree Appendix C, 2.5.7). In the explanation within the ZEV investment plan there is no reference of disadvantaged rural communities and only slight mentioning of CalEnviroScreen, a tool using governmental data and local information like hospital records for asthma-related incidents. Exclusion of this body of work neglects the strides that have been made to effectively document rural issues and utilize the subsequent body of research for informing policy.

One recent example of relevant literature is the 2016 State of the Air report by the American Lung Association which identifies the San Joaquin Valley as a key area of public health concern. In its ranking of “Cities Most Polluted by Year-Round Particle Pollution” the report finds that four of the top 6 rankings belong to metropolitan regions in the San Joaquin Valley (#1 Bakersfield, #2 Visalia-Porterville-Hanford, #3 Fresno-Madera and #6 Modesto-Merced). The same report finds that San Joaquin Valley metropolitan regions top the list of “People at Risk in 25 Most Ozone-Polluted Cities” (#2 Bakersfield, #3 Visalia-Porterville-Hanford, #4 Fresno-Madera, #7 Modesto). Moreover, in a list of “People at Risk in 25 Counties Most Polluted by Year-Round Particle Pollution” the San Joaquin Valley tops the chart again (#1 Kern, #2 Tulare, #3 Kings, #4 Madera, #5 Fresno).

More recently, UC Davis’ Center for Regional Change released a report in January of 2017 that reaffirms the San Joaquin Valley as a region of high-priority for Environmental Justice advocacy. In *California's San Joaquin Valley: A Region and Its Children Under Stress*, researchers conclude that “residents and local leaders who participated in the community forums and interviews frequently named air quality as a top priority that needs to be addressed in the San Joaquin Valley.” The report also finds that “in the San Joaquin Valley, almost every county experienced a greater number of days with ozone levels above regulatory standard than the state average. These numbers range from 14 to 74 days, compared to 13 days for the state.” (*A Region and Its Children Under Stress*, pg. 21)

Fully incorporating these bodies of research will complement the ZEV investment plan’s goals to “provide accessibility where most needed.” Such request is also consistent with CARB’s statement that one of the goals of the investment programs should be “to make ZEVs a more accessible and attractive transportation option for a broader range of income groups and demographics....lack of infrastructure, access programs, employment, and education will be very important. This priority is consistent with the goals of SB 535 and AB 1550” (CARB guidelines, pg. 10). However, if these findings remain omitted from consideration, the current ZEV investment plan perpetuates historical cycles of disinvestment and allows continued disproportionate exposure to adverse environmental factors associated with greenhouse gas emissions and air pollution.

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Thank you for your consideration of these comments.

Sincerely,

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