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November 6, 2023

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Proposed Fiscal Year 2023-2024 Funding Plan for Clean Transportation Incentives**

Dear Board Members:

Thank you for the opportunity to comment on the Fiscal Year 2023-24 Funding Plan for Clean Transportation Incentives. The Union of Concerned Scientists (UCS) recommends that the board approve the plan. We also acknowledge the work of staff on the plan and look forward to a continuing dialogue on the implementation of these incentives.

UCS has the following recommendations on the implementation of the light-duty vehicle components of the plan:

**1. Prioritize Clean Cars 4 All and the Financing Assistance for Lower Income Consumers project toward priority populations owning old cars.**

Older gasoline- and diesel-powered vehicles (model year 2003 and older) are less than 20 percent of light-duty passenger vehicles in the state, however they produce the majority of nitrogen oxides and reactive organic gas air pollution.<sup>1</sup> These more-polluting cars have an inequitable health impact on Californians as the resulting PM2.5 pollution disproportionately impacts Latino and Black Californians, lower-income households, and disadvantaged communities.

CARB should prioritize limited incentive funding to remove these highly polluting older vehicles. The Board should also ensure that the program design and outreach efforts target drivers and communities that currently bear the highest burden from transportation-related air pollution.

**2. Move incentive programs away from a “first come, first served” model to a more targeted approach.**

In addition to improving outreach to drivers of older vehicles and those in disadvantaged communities, it is important that CARB ensure that incentives are available when outreach efforts are successful. Previous incentive and assistance programs have allocated their limited funds to those that apply first, prioritizing those that have the most information about CARB programs. Targeted outreach takes time to implement and

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<sup>1</sup> Beyer, Matthew, Ashley Gerrity, Román Partida-López, and David Reichmuth. 2023. Cleaner Cars, Cleaner Air: Replacing California's Oldest and Dirtiest Cars Will Save Money and Lives. Union of Concerned Scientists and The Greenlining Institute. <https://www.ucsusa.org/resources/cleaner-cars-cleaner-air>.

will be wasted if program funds are exhausted early in the fiscal year before applicants that have less awareness of these programs can participate.

Instead, CARB should use targeted participation criteria at the start of the program cycle, such as using both income limits and disadvantaged community criteria. If funding remains at the end of the funding cycle, CARB could consider relaxing program criteria, transferring funds to other incentive programs, or using the funding in subsequent fiscal years.

### **3. CARB should focus on lending assistance for the Financing Assistance for Lower Income Consumers project.**

One of the predecessors to the proposed program was the Clean Vehicle Assistance Program (CVAP). This program was intended to provide both grants and also assistance in lending to those that could not otherwise obtain financing for a vehicle purchase. However, CVAP data shows that less than 1 percent of participants that purchased a new car using CVAP received lending through the program and only about 5 percent of used car buyers received lower-interest loans in the program.<sup>2</sup>

CARB should ensure that lending assistance is a key component of the 2023-2024 Financing Assistance for Lower Income Consumers program. Lending assistance can help ensure that benefits reach drivers in need of assistance as the lending assistance is of little use to purchasers with wealth or access to credit. This is unlike grants which can be obtained by buyers that might temporarily meet income criteria but otherwise have sufficient resources to make a clean vehicle purchase without assistance.

We urge CARB to work to implement these recommendations for the benefit of the communities who are most impacted from the pollution from on-road vehicles. Low-income and disadvantaged communities have dealt with these environmental burdens for decades, and CARB should target Clean Transportation Incentive programs to ensure that they are accessible to those who stand to benefit the most from these investments.

Sincerely,



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Union of Concerned Scientists  
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<sup>2</sup> <https://cleanvehiclegrants.org/program-data/>