



May 21, 2018

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

### Re: Support for VW Mitigation Proposal

Dear Chair Nichols:

On behalf of the undersigned organizations, we write to express our support for the proposed Volkswagen mitigation plan being considered for adoption by the California Air Resources Board. We appreciate having had several opportunities to engage in the Board's public process and believe the proposal represents a solid framework that will support immediate, lasting and meaningful emission reductions. The proposal also recognizes that the funding is in addition to other incentive programs and presents an unusual opportunity to substantially advance the transition to zero-emission vehicle technologies that are essential to meet California's climate and air pollution reduction goals.

California is home to the most difficult air pollution challenges in the United States, with over 35 million Californians living in areas affected by unhealthy air according to the 2018 *State of the Air* report by the American Lung Association.<sup>1</sup> Unfortunately, many California communities face even greater burdens due to the close proximity of major sources of pollution, including ports, transit corridors, freeways and major warehouse facilities. Volkswagen's actions to intentionally emit over 40 times the emission standards created excessive pollution burdens on those who could least afford it. Those excess NOx emissions contributed to ozone and particle pollution that contribute to asthma attacks, impacts to childhood lung development, lung cancer, cardiac impacts and early death.<sup>2</sup>

Our comments below reference various elements of the proposal that we believe advance air quality, community health and a strong investment in the zero emission technologies critical to achieving healthy air for all Californians:

**Overall Investment Proposal** – Our organizations support the overall proposal to achieve the targeted 10,000 tons of NOx mitigation and prioritize the transition of heavy duty trucks, transit and school buses and freight equipment to zero emission technologies. We appreciate that the staff proposal also includes gap funding for zero emission vehicle infrastructure and has structured allocations and a reserve to allow for more responsive investment in future years as need allows.

**Heavy Duty Investments for zero emission technologies** – We support the proposal to achieve the 10,000 tons of NOx emissions mitigation while giving priority to the ongoing transition to zero emission technologies. Separate from existing funding (Greenhouse Gas Reduction Fund, SB 1 Funding, etc.) to support early transition to zero-emission technologies, the \$290 million proposal

<sup>1</sup> American Lung Association. *State of the Air 2018*. [www.stateoftheair.org](http://www.stateoftheair.org)

<sup>2</sup> *Ibid*

to fund zero-emission school, transit and shuttle buses, drayage trucks and other freight and port equipment categories demonstrates a clear commitment to protecting children's health and achieving clean air and climate goals through programs that will benefit disadvantaged and low-income communities. We appreciate that the proposal allows for greater flexibility in the rollout of funding to allow more transit agencies and school districts the opportunity to apply as their procurement schedules allow. We encourage the board to address any challenges experienced under the first-come, first-serve approach to bus funding.

**Investment in Equity** – Our organizations support the goals of the proposal to extend the mitigation fund's reach into communities most impacted by unhealthy air and nearby sources of pollution. With more than 50 percent of funding directed toward disadvantaged and low-income communities, the proposal exceeds statutory requirements enacted under Senate Bill 92 (SB 92, 2017: "at least 35 percent of funds for the investment plan benefit low-income or disadvantaged communities disproportionately affected by air pollution"). Because many low-income communities are more directly impacted by freeway traffic, the Volkswagen settlement funds should be directed to programs that ensure zero-emission technologies are deployed in overburdened communities as quickly as possible.

**Light Duty ZEV Infrastructure Investments** – We support the use of \$10 million to fund light-duty zero-emission vehicle infrastructure, and the targeting of these funds to disadvantaged communities to the greatest extent possible. We believe that CARB should maintain a clear focus on bridging funding gaps in the overall zero-emission vehicle charging and hydrogen fueling infrastructure needed to support the 5 million ZEV goal for 2030 as established by Governor Brown under Executive Order B-48-18. As well, these investments in zero emission technologies will also lead to the creation of skilled labor opportunities in the construction of charging infrastructure and complimentary installations. This represents thousands of careers paying family-sustaining wages in manufacturing, charging infrastructure installation and maintenance for Californians.

**Accounting and Reporting Requirements** – While the proposal notes that CARB anticipates posting annual reports to the Legislature and semi-annual reports from project administrators to CARB online, we encourage the Board to provide more specific direction on reporting. Making the mitigation trust expenditures publicly accessible and reviewable should be a key priority upon approval of the proposal. We believe that in addition to financial reporting on proposed and actual spending (as required by SB 92), publicly available reports should include information related to the expected emissions benefits, equipment or vehicle usage and project location information to ensure community benefits are being experienced - and experienced in disadvantaged communities - as expected.

In closing, our organizations support the staff proposal and urge the board to move forward as quickly as possible in investing to achieve healthy air.

Sincerely,

Bonnie Holmes-Gen  
***American Lung Association in California***

Kathryn Phillips  
***Sierra Club California***

Jimmy O'Dea  
***Union of Concerned Scientists***

Rev. Earl W. Koteen  
***Sunflower Alliance***

Kevin D. Hamilton, RRT, CEO  
***Central California Asthma Collaborative***

Max Baumhefner  
***Natural Resources Defense Council***

Jennifer Kropke  
***International Brotherhood of Electrical Workers, Local Union Eleven***

Jessica Tovar, MSW  
***Moving Forward Network***  
***Urban & Environmental Policy Institute, Occidental College***