



December 15, 2016

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

Subject: – Comments in Response to CARB Guidance for Appendix C of Volkswagen Consent Decree

Dear Chairman Nichols:

On behalf of the undersigned organizations, we are writing to comment on the California Air Resources Board's December 2, 2016 workshop and proposals related to the Appendix C of the Consent Decree issued in response to Volkswagen's deceptive actions to undermine health-protective vehicle emission standards. We support California's effort to provide guidance prior to Volkswagen submitting a Zero Emission Vehicle Investment Plan in February of 2017.

California is home to the most difficult air pollution challenges in the United States, and certainly could not afford the additional pollution caused by Volkswagen's emissions cheating scheme. The American Lung Association's 2016 *State of the Air* report noted that 6 of the top 10 most ozone- and particle-polluted cities in the United States are in California for both, and over 80 percent of Californians live in areas that experience unhealthy air during the year. Further, low income communities, communities of color located near major freeways, and the millions of Californians already living with respiratory and cardiac illnesses face heightened risks due to the Volkswagen deception.

Our comments below are intended to support the strongest possible signal to Volkswagen that their proposed plan must respond to California's need for early, equitable and effective investment in support of zero emission transportation. We believe that Volkswagen should be held to the highest standards of accountability under this program and our comments below outline concepts we believe must be included in the guidance to Volkswagen:

Timing and Scope of Investments:

- ***Front loading investments*** – we appreciate that the ARB recommends an early influx of investment at the outset of the initial 30-month period. The damage done to our air and climate should be met with investment in zero emission technologies as soon as is feasible with the least possible impact on the competitiveness of existing charging providers.
- ***Transformational investments should be the focus*** – we encourage ARB to provide guidance that favors transformational investments that will long outlast the 10-year settlement schedule. This opportunity to create meaningful, lasting change across the transportation sector –

achieving 100% ZEV sales by 2050 and ensuring zero emission freight solutions wherever possible - is critical to advancing California's efforts to attain clean air and climate targets.

Oversight of Investments:

- ***Ensure strong oversight of Volkswagen's claimed investment benefits*** – Given the underlying deception that created this investment program, we urge CARB to maintain vigilant oversight of the investments being made, in addition to the planned 3rd Party Verifier.
- ***Ensure Volkswagen Investments complement existing programs and investments*** – We agree that California and Volkswagen should ensure that the investments complement – are additional and do not displace – existing vehicle rebates, infrastructure investment, disadvantaged community pilots and other vital programs.
- ***Data Collection***- we commend ARB in emphasizing the importance of transparency throughout the entire process as way to know the effectiveness or ineffectiveness of the programs that VW selects to investment. Because safeguards are absolutely necessary and need to be put in place in order to ensure these funds are spent in the public interest and are consistent with California's ongoing policies.

Investment in Equity

- ***Support focus on investing in disadvantaged communities*** – California's commitments via SB 535 (de León), SB 1275 (de León) and AB 1550 (Gomez) to invest in climate equity should be at the forefront of the Volkswagen plan. We support ARB's guidance providing specific investment levels in California's most disadvantaged communities as expressed through state law (*i.e.* 25% investment in disadvantaged communities and 10% in low-income communities).
 - It is important that the guidance encourage the growth of the secondary ZEV market, specifically to increase overall access and market support to low and moderate income consumers, particularly within disadvantaged communities.
 - We support expanding charging access for residents of multi-unit housing as another way to accelerate the ZEV sales within disadvantaged communities.
 - As the market for ZEVs grows during the next decade we think that it will become increasingly important for funds such as those made available through the VW ZEV Investment Plans to be made available to support the training and certification of individuals– especially in disadvantaged communities – who can work to service both the vehicles and the fueling infrastructure.

Types of Investments

- ***Emphasis on diverse public education and awareness campaign*** – We support the ARB's proposed emphasis on public education and awareness campaign and believe funding in support of the California Plug-In Electric Vehicle Collaborative (soon to become "Veloz", a non-profit entity dedicated to ZEV awareness) should be highlighted as a priority in the guidance.
 - In further support for investing funds equitably, we strongly encourage ARB to recommend Volkswagen include a multi-lingual education campaign in their proposed plan, as well as a plan to reach out to moderate- to low-income consumers.
 - Overall, the guidance should emphasize funding sufficient to leverage a meaningful outreach effort alongside public and private programs operating at the local and state levels in support of ZEV technology deployment goals.

- ***Support inclusion of medium- and heavy-duty mobile source electrification*** – In addition to light duty vehicle infrastructure, we support ARB recommending the inclusion of infrastructure needed to support the electrification of freight, transit, school buses and other applications in the medium- and heavy-duty sectors that represent a leading source of harmful emissions in California.
 - ARB should emphasize the role of these investments in meeting the Governor’s ZEV Action Plan and SB 350 (De Leon) when developing recommendations for the inclusion of medium and heavy duty mobile sources in Appendix C.
- ***Support the inclusion of plug-in electric vehicle charging and hydrogen fueling infrastructure utilizing renewables*** – We support ARB’s intention to recommend Volkswagen include both zero emission fuels in their infrastructure plan. California is investing heavily on these technologies and the Volkswagen investments should complement both with a focus on renewable electricity and hydrogen.

In the event that the plan submitted by Volkswagen does not follow the guidance offered by the ARB, we encourage the agency to reject those components that would not advance progress to achieving California’s clean air and climate goals in an equitable manner.

Sincerely,

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American Lung Association in California

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The Center for Energy Efficiency and Renewable Technologies

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