

November 8, 2017

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The Honorable Mary Nichols  
Chair  
California Air Resources Board  
P.O. Box 2815  
Sacramento, CA 95812-2815

RE: Maximizing Settlement Fund Allocation for Charging and Hydrogen Refueling Infrastructure; Beneficiary Mitigation Plan for California's \$423 Million Allocation of the Volkswagen Environmental Mitigation Trust

Dear Chair Nichols:

The Association of Global Automakers, Inc. (Global Automakers), [www.globalautomakers.org](http://www.globalautomakers.org), represents the U.S. operations of international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. In 2016, our members represented 56% of the new vehicle sales and 66% of the “green” vehicle sales in California.

Global Automakers and our members have a longstanding commitment to improving air quality, reducing greenhouse gas emissions, and increasing fuel efficiency. Our members are investing heavily in alternative fuel and green technologies, including being the first to successfully launch hybrid electric vehicles 20 years ago and since then plug-in hybrid electric vehicles (PHEVs), battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs). We are proud that the number of electric-drive vehicles, in a variety of options and price points, are increasing every year.

Under Appendix D of the Volkswagen settlement, California is due to receive approximately \$423 million, which can be used for a variety of environmental-based projects. A maximum of 15% of this money, or \$63.5 million, can be used for the acquisition, installation, operation, and maintenance of light duty electric-drive vehicle infrastructure.

Global Automakers urges the State of California to allocate the full 15% toward this effort to support all electric-drive vehicle infrastructure – hydrogen refueling and electric charging stations.<sup>1</sup> The state needs to continue its initial establishment of a strong foundation for electric-drive vehicles by expanding its network of hydrogen

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<sup>1</sup> While the allotted 15% of the Appendix D money, alone, is not adequate to build out the full infrastructure needed to support the volume requirements under the ZEV mandate, it would provide an opportunity to supplement and support the state's broader efforts to grow electric vehicle infrastructure.



refueling and electric charging stations to support increased sales of all electric-drive vehicles. Increasing available infrastructure is critical to the state’s ability to advance electrification. California has done much to support electric-drive vehicles to date and has led the country with its commitment to grow the market for BEVs, PHEVs, and FCEVs by implementing programs that promote investment in infrastructure projects. Global Automakers recognizes and appreciates these efforts, but we believe more must be done. Increasing the number of electric charging stations will help spur the sale of BEVs, because it will address customer concerns about range anxiety. And building out a hydrogen infrastructure is critical to supporting FCEV sales, since consumers will not purchase vehicles if there are no convenient refueling options. ARB should therefore make full use of every available monetary resource to develop the necessary infrastructure to support the state’s ambitious goals of vehicle electrification.

Looking ahead, there is a significant gap to close to meet the model year 2025 electric vehicle goal and to continue electrification efforts beyond 2025. The continued expansion of electric charging and hydrogen refueling infrastructure is a critical path to bridge the gap. The expenditure of the full 15% of the Volkswagen settlement monies for electric-drive vehicle infrastructure will help California continue to grow the market to reach the state’s electrification goals.

Should you have any questions, please do not hesitate to contact us. Thank you for your consideration of our request, and your continued support of incentives and infrastructure for electrification.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Rege".

Julia M. Rege  
Director  
Environment and Energy

A handwritten signature in blue ink, appearing to read "D. Porter".

Damon Shelby Porter  
Director  
State Government Affairs