

April 10, 2017

Mr. Mark Williams, Mailstop 3E
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

SUBJECT: San Joaquin Valley Mayors comments on Public Version of VolksWagen's California ZEV Investment Plan: Cycle 1

We San Joaquin Valley mayors thank you for your strong leadership in the Volkswagen Settlement case. We are grateful for CARB's work in identifying Volkswagen's (VW) fraudulent activities and ensuring that VW pay appropriate fines and penalties while also making other investments to support the further development of zero emissions transportation in the state.

We write today to ask that the California Air Resources Board (CARB) ensure that any funds spent by Volkswagen in the Golden State as a part of Appendix C of the Volkswagen Settlement – while being used to benefit all Californians – be invested in disadvantaged communities in a manner consistent with the State's requirements as outlined in Senate Bill/SB 535 (De León, 2012), SB 1275 (De León, 2014), SB 350 (De León, 2015), Assembly Bill/AB 1270 (E. Garcia, 2015) and AB 1550 (Gomez, 2016)¹. At a minimum we do not consider March 14, 2017 Public Version of Volkswagen's California ZEV Investment Plan: Cycle 1 to be consistent with the guidance provided by CARB² in that we do not consider the proposed Cycle 1 Investment Plan to be consistently making investments in disadvantaged communities in a manner that is either "Complementary and Additional," or "Transformational" for our communities, or in a manner that "Prioritize(s) Disadvantaged, Low-income, and Disproportionately Impacted Communities" in our region.

Our communities should also be allowed to directly enjoy the health and environmental benefits of zero-emissions vehicles (ZEVs) resulting from the investment of VW funds in California. Our constituents are primarily low and middle income, and are less likely to have already adopted ZEVs, unlike the communities in which VW is currently proposing to invest.

¹ Also See the 2015: "Cap-and-Trade Auction Proceeds: Funding Guidelines for Agencies that Administer California Climate Investments.", the 2016 Supplement available at: <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/fundingguidelines.htm>, and the forthcoming 2017 update to the Funding Guidelines.

² "California Air Resources Board's Guidance to Volkswagen on First 30 Month Electric Vehicle Infrastructure Investment Plan of the 2.0 Liter Diesel Engine Partial Consent Decree Settlement", Feb. 2017, https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/documents/carb_guidance_021017.pdf

Now, we respectfully ask that CARB require Volkswagen to adjust their proposal to:

- Meet or exceed CARB's guideline that 35% of VW's Zero Emission's Vehicle Investment spending go towards disadvantaged, low-income, underserved and disproportionately impacted communities.
- Ensure that ZEV infrastructure be directly installed in California's disadvantaged communities, including rural farmworker communities in the San Joaquin, Imperial, and Coachella Valleys, not just along freeway corridors.³
- Include provisions for both ZEV technologies (battery or fuel cell electric) in any "Green City" funding; allowing communities the flexibility to choose the ZEV options best suited to the tasks they identify.
- Include provisions for the training and skills development of community members who can work to install charging and hydrogen fueling infrastructure and who can service and maintain both the zero emissions vehicles and their fueling equipment.
- Allow for coalitions of small cities (not just the large metropolitan centers) to work together to compete for future "Green City" funds
- Publicly List the project ideas and proposals VW/Electrify America has received.
- Have VW clearly define the criteria and scoring that it will use in evaluating project proposals and that "all" project proponents should follow when submitting proposals to Electrify America.
- Have VW clearly and thoroughly explain the criteria, scoring and or reasoning VW/Electrify America used in selecting the projects in which it is recommending that it be allowed to make investments
- Guarantee that municipal applications for VW investment plan funding be responded to in a timely fashion and, if rejected from the program, provide a thorough explanation as to why.

CARB has a unique opportunity to make sure that such a large investment in ZEV infrastructure allows more Californians to reap the benefits of zero-emissions vehicles and, "...to bring the most environmental good to the most environmentally needy."⁴

We regret that we have not previously been able to engage in the development process for VW's investment plans. The rapidity of this process and a lack of capacity hampered our ability

³ eg See: Dean Florez, VW's Plan Drives Past Disadvantaged Communities, at <https://medium.com/@deanflorez/vws-plan-drives-past-disadvantaged-communities-d77cf0f3f138>.

⁴ *ibid*

COMMENTS OF SJ VALLEY MAYORS ON MARCH 14TH DRAFT OF VW CYCLE 1 INVESTMENT PLAN

to be participants in this process. We would appreciate the opportunity to meet and discuss this 10yr program with CARB staff and with staff from Volkswagen and Electrify America.

Sincerely,

Steven Hernandez, Mayor, Coachella

Nathan Vogtsburg, Mayor, Coalinga

Rey León, Mayor, Huron

Victory Lopez, Mayor, Orange Cove

Frank Hernandez, Mayor, Sanger

Amarpreet Dhaliwal, Mayor Pro-Tem, San Joaquin

&

Alvaro Preciado, Resident of Avenal (Mayor for identification purposes only)

cc: Governor Edmund G. Brown
Senate President pro Tempore Kevin de León
Assembly Speaker Anthony Rendon
Mary Nichols, Chair, California Air Resources Board
Members, California Air Resources Board
Richard Corey, Executive Officer, California Air Resources Board
Alberto Ayala, Deputy Executive Officer, California Air Resources Board
Annette Hebert, Chief, ECARS.
Analisa Bevan, Assistant Division Chief, ECARS
Ellen M. Peter, Chief Counsel, California Air Resources Board