

VW Settlement Agreement Update



Scott Davis, EPA Region 4
State & Local Air Directors Meeting
November 2, 2017 - Atlanta, GA

VW Settlement Agreement

- ▶ Resolves allegations that Volkswagen violated the Clean Air Act by the sale of ~590,000 MY09 to MY16 diesel motor vehicles equipped with “defeat devices.”
- ▶ Volkswagen agreed to spend up to \$14.9 billion to settle allegations of cheating emissions. Settlement funds will be used to buyback and/or modify vehicles, and to support national and state-level projects to reduce nitrogen oxide (NOx) emissions.
- ▶ \$10.033 billion Buyback Program (to Consumers)
- ▶ \$2.0 billion Zero Emissions Vehicles and Infrastructure (to CA and Nationally)
- ▶ \$2.925 billion NOx Mitigation (to States and Tribes)

VW Settlement Agreement

- ▶ Wilmington Trust, N.A. is the VW Agreement Trustee
- ▶ Trust Effective Date (TED) has been established - **OCTOBER 2, 2017**
 - ▶ NEXT STEPS (1)
- ▶ Governors must file Certification Form with the Trustee within **60 days** of TED to elect to participate and become a Beneficiary.
- ▶ Certification Form must appoint a state agency to implement mitigation actions.
 - ▶ NEXT STEPS (2)
- ▶ Trustee files list of Designated Beneficiaries (up to 120 days from TED).
- ▶ Beneficiaries create mitigation plans (per eligible criteria in Final Order Appendix D-2).
- ▶ Beneficiaries have 10 years from TED to request their allocation and implement mitigation actions.

State Lead Agencies for VW Settlement

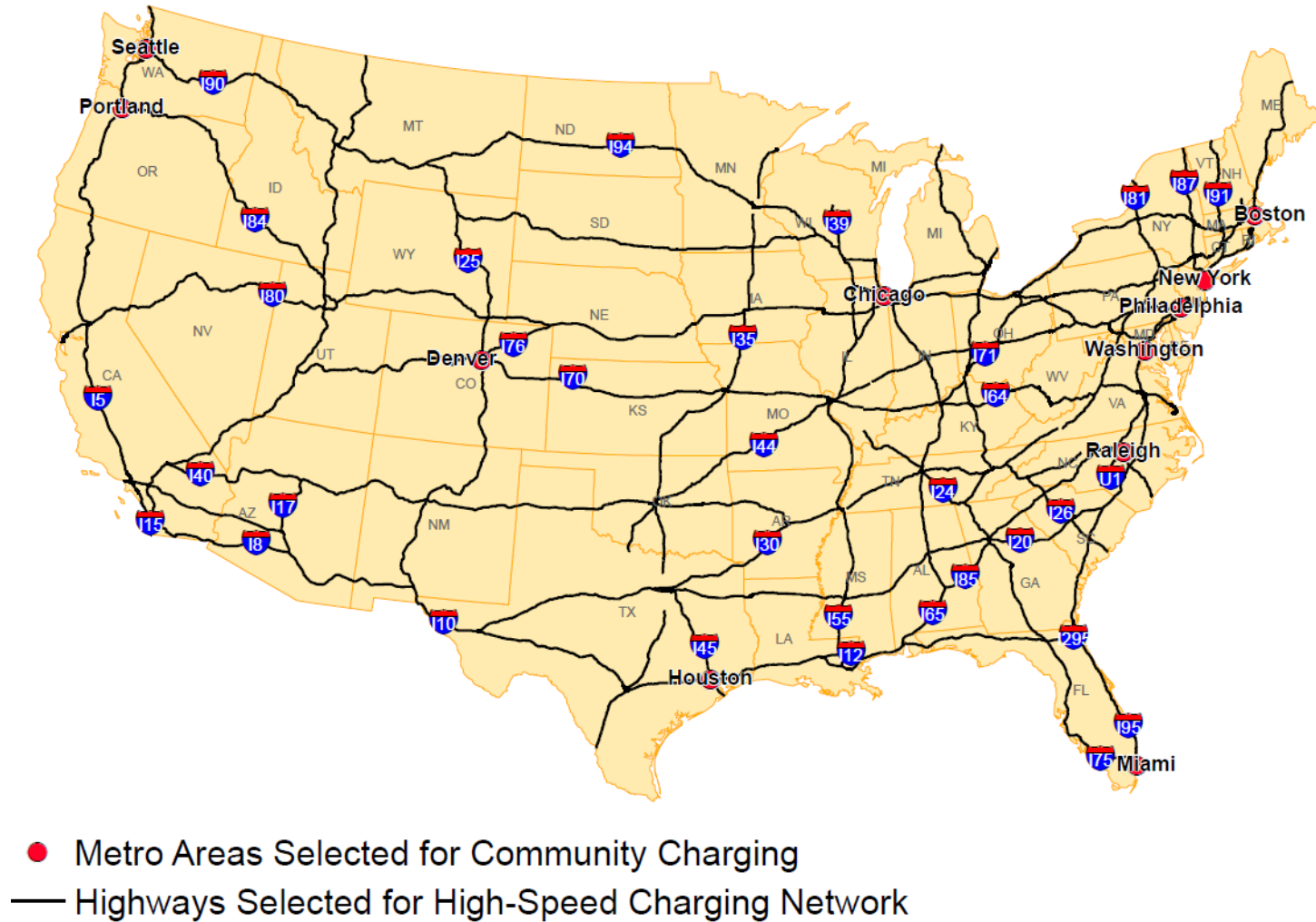
▶ <u>STATE</u>	<u>LEAD AGENCY</u>
▶ Alabama	ADEM Permits and Services Division
▶ Florida	Awaiting Governor Decision
▶ Georgia	Governor's Office of Planning and Budget
▶ Kentucky	KY Energy and Environment Cabinet
▶ Mississippi	MDEQ Air Division
▶ North Carolina	Awaiting Governor Decision
▶ South Carolina	SC Department of Insurance
▶ Tennessee	TDEC Office of Energy Programs

Mitigation Trust Fund Allocations

▶ Mitigation Trust Fund State Allocations

▶ Alabama	\$25,489,968
▶ Florida	\$166,278,745
▶ Georgia	\$63,624,726
▶ Kentucky	\$20,378,650
▶ Mississippi	\$9,874,414
▶ North Carolina	\$92,045,658
▶ South Carolina	\$33,895,491
▶ Tennessee	\$45,759,914

AREAS INCLUDED IN ZEV INVESTMENT PLAN CYCLE 1



Diesel Emissions Reduction Act (DERA) Option

- ▶ Eligible Mitigation Action 10 is the DERA Option.
- ▶ Beneficiaries may add VW Trust Funds to DERA State grants for their voluntary match portion.
- ▶ Under the DERA Option, only a certain portion of the cost of an activity is eligible for funding under the State DERA grant program.
- ▶ Costs that exceed the DERA funding limit are “mandatory cost share” and the responsibility of the grantee.
- ▶ AL and FL are currently using the DERA Option for FY17-18 DERA funds.
- ▶ EPA Region 4 POC is Alan Powell (powell.alan@epa.gov and 404-562-9045).

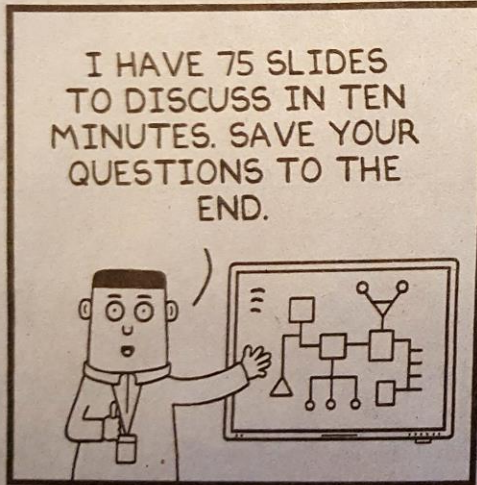
Resources

Websites and links for information

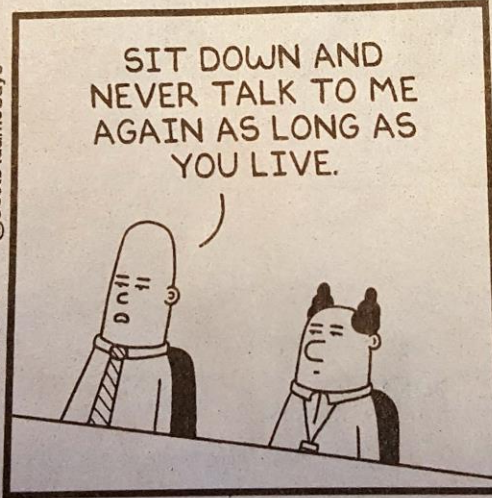
- ▶ www.vwcourtsettlement.com (VW/Audi/Porsche)
 - ▶ Vehicle owners or leasees register online here
- ▶ www.epa.gov/enforcement/volkswagen-clean-air-act-partial-settlement (EPA)
- ▶ www.vwclearinghouse.org/ (NASEO and NACAA)
- ▶ www.cand.uscourts.gov/crb/vwmdl/final-settlement-2-Liter (US District Court, Northern District of California)

QUESTIONS ?

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