

March 27, 2018

Ms. Lisa Williams  
California Air Resources Board, Mailstop 5B  
P.O. Box 2815  
Sacramento, CA 95812

**Re: February 16, 2018 Discussion Document - Public Workshop on Developing a Beneficiary Mitigation Plan for California's Allocation of the Volkswagen Environmental Mitigation Trust**

I. Introduction

The Greenlining Institute ("Greenlining") appreciates the opportunity to provide input on the development of the Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust. Greenlining submitted written comment<sup>1</sup> following the October 2017 public workshop and we are pleased to see many of our comments reflected in the Guiding Principles and overall recommendation.

This comment letter will address CARB Staff's current recommendation for the Beneficiary Mitigation Plan, as proposed in the February 16, 2018 Discussion Document.<sup>2</sup> We support the Guiding Principles<sup>3</sup> used by Staff to develop the recommended categories and allocations. We are strongly in support of at least 50% of *total* funds going to projects that provide benefits to disadvantaged or low-income communities, as well as Staff's recommendation to use the disadvantaged and low-income community designations through CalEnviroScreen.

II. Benefiting Disadvantaged and Low-Income Communities

Volkswagen's ("VW") cheating didn't harm everyone equally, instead their actions hit hardest in the neighborhoods impacted by the highest concentrations of busy freeways, ports and high-polluting vehicles. Those neighborhoods are disproportionately low-income and

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<sup>1</sup> The Greenlining Institute Comments, submitted December 22, 2017 at <https://www.arb.ca.gov/lists/com-attach/44-vw-mititrust-pl-ws-VjFUPgFpBQkEbQBw.pdf>

<sup>2</sup> "Public Workshop on Developing a Beneficiary Mitigation Plan for California's Allocation of the Volkswagen Environmental Mitigation Trust" Discussion Document Released February 16, 2018, pg. 8 at [https://www.arb.ca.gov/msprog/vw\\_info/vsi/vw-mititrust/meetings/021618\\_discussiondoc.pdf](https://www.arb.ca.gov/msprog/vw_info/vsi/vw-mititrust/meetings/021618_discussiondoc.pdf)

<sup>3</sup> Ibid, page 7.

communities of color<sup>4</sup> and they suffer disproportionately from the consequences of VW's pollution.

***We support CARB Staff's overall recommendation*** – where at least 50% of *total* funds will go to projects that provide benefits to disadvantaged or low-income communities – as this elevates the need to invest these VW dollars in our state's poorest and most polluted communities. ***However, there is one category in which we recommend a higher target*** than currently proposed.

- a. Ensure 100% of Light-Duty ZEV Infrastructure projects benefit disadvantaged and low-income communities

The current Staff recommendation estimates that 35% of Light-Duty ZEV Infrastructure projects will provide benefits for low-income and disadvantaged communities. We recommend increasing this target and including criteria to ensure that ***100 percent of the \$10 million for Light-Duty ZEV Infrastructure projects benefit disadvantaged and low-income communities.***

To date, \$239 million has been allocated to light-duty EV equity projects in disadvantaged communities.<sup>5</sup> More than half of that money has not been implemented yet. Maximizing the remaining light-duty equity investments from the Low Carbon Transportation Program will require leveraging other existing resources and reducing significant barriers to adoption (such as access to EV charging). An additional \$35 million has gone to CVRP in disadvantaged communities, through the life of the program.<sup>6</sup> And while investor-owned utilities have minimum charging station deployments in disadvantaged communities, these investments are not enough to serve the growing demand for EV charging.

Given the smaller, discrete light-duty ZEV infrastructure investments and other general market light-duty investments from utilities, the California Energy Commission, the VW ZEV Investment plan, and others, we find it reasonable and aligned with California's EV equity efforts<sup>7</sup> to commit 100 percent of light-duty funds to disadvantaged and low-income communities.

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<sup>4</sup> Approximately 90% of people living in the poorest, most polluted "Disadvantaged Communities," as defined by the California Environmental Protection Agency, are people of color.

<sup>5</sup> CARB, Low Carbon Transportation Fiscal Year 2018-19 Funding Plan presentation, at [https://www.arb.ca.gov/msprog/aqip/fundplan/fy1819\\_wkshppres\\_031518.pdf](https://www.arb.ca.gov/msprog/aqip/fundplan/fy1819_wkshppres_031518.pdf)

<sup>6</sup> Center for Sustainable Energy (2018). California Air Resources Board Clean Vehicle Rebate Project, Rebate Statistics. Data last updated March 13, 2018 (Retrieved 3/19/18) from <https://cleanvehiclerebate.org/eng/rebate-statistics>

<sup>7</sup> e.g. SB 1275 (2014) Charge Ahead California Initiative, SB 350 Low-Income Barriers Study: Overcoming Barriers to Zero-Emission and Near Zero-Emission Transportation and Mobility Options, etc. – For a complete list, please see our December 2017 comment, *infra* note 1, at pg. 3.

III. Maximize social equity by prioritizing and promoting economic opportunity for those most in need through workforce development and training; targeted hiring; and diverse-owned business contracting

Greenlining supports the zero-emission, cost-effective projects chosen by CARB Staff to fully mitigate the excess NOx and to support zero-emission transformation in the heavy-duty sector. Heavy-duty vehicles are the single largest source of NOx pollution in California, emitting 33 percent of the state's total.<sup>8</sup> NOx pollution poses significant health risks, particularly in low-income and communities of color. Transitioning to zero-emission heavy-duty vehicles will help mitigate air pollution and the adverse health consequences from combustion-based technologies. CARB Staff's recommendation is a step in the right direction towards widespread transportation electrification and the chosen categories have potential for broader economic and health benefits, particularly in the communities most impacted by poverty and poor air quality.

In moving towards electrification, CARB has an opportunity to ensure that our state's poorest and most polluted communities have access to, and training for, new and emerging occupations in electrification. Although not a stated goal of the settlement agreement, CARB should leverage this fund to maximize benefits and work towards a just transition with these mitigation dollars. ***We encourage CARB to leverage economic development co-benefits into the projects by requiring contractors to demonstrate specific criteria.*** We recommend prioritizing the contractors who demonstrate the following attributes:

- Hiring of low-income workers, disadvantaged workers, and other individuals with barriers to employment into high-quality jobs, through robust and targeted recruiting, hiring, and training policies
  - Including job training and pre-apprenticeship programs aimed at impacted communities; especially those that provide support services to participants (e.g. child care, transportation assistance, financial stability, etc.)
- Diverse workforce demographics and procurement of services and products from contractors and subcontractors certified as a diverse-owned business—i.e. minority-, women-, veteran-owned businesses.
- Paying of prevailing wages; providing benefits for hires, partners, and dependents (medical and dental coverage, paid vacation and sick leave, retirement savings, transportation reimbursement, child care assistance, paid training opportunities); predictable scheduling; and opportunities for advancement for entry-level workers.

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<sup>8</sup> Delivering Opportunity: How Electric Buses and Trucks Can Create Jobs and Improve Public Health” (2016), p. 1 at <https://www.ucsusa.org/sites/default/files/attach/2016/10/UCS-Electric-Buses-Report.pdf>

#### IV. Conclusion

We greatly appreciate the opportunity to provide comment on the development of the Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust for California.

Sincerely,

/s/ Jordyn Bishop

Jordyn Bishop

Environmental Equity Legal Fellow

The Greenlining Institute

[jordynb@greenlining.org](mailto:jordynb@greenlining.org)