



***Vision to Reality – Planning and  
Funding Clean Freight Corridors***

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**Clean Corridors Meeting**

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# Addressing Ports and Goods Movement

- Port-related diesel emissions impact public health and the climate
  - Approximately 39 million people live near ports and can be exposed to air pollution from diesel engines at ports and be at risk of health problems
  - Port-related diesel emissions contribute to climate change
- Clean Air Act Advisory Committee – EPA should establish an environmental leadership program for ports, 35 recommendations for including:
  - Provide technical resources, expertise and **funding**
  - Collaborate with other federal agencies to coordinate, publicize **funding** opp'ys
- EPA's National Port Strategy Assessment released Sept 22, 2016
  - Key findings include:
    - Replace older, dirtier diesel vehicles and equipment first to protect public health
    - Zero emissions technologies are effective and available to reduce ever-increasing CO<sub>2</sub> emissions

# DERA Clean Diesel Funding Program

- Supporting shift to clean fuel and zero emissions options
  - Authorized through 2016, \$50M in grants this year
    - \$148M for ports and goods movement projects since 2008
- DERA cost shares adjusted as necessary to respond to changes in EPA standards, new developments, market characteristics
- If grantees choose all electric heavy duty vehicle projects, charging stations are an eligible cost

Project type	DERA cost share
TRUCK STOP ELECTRIFICATION	25%
ENGINE REPOWER	40%
ENGINE REPOWER – ELECTRIC	60%
ENGINE REPOWER – LOW NOX	50%
VEHICLE/EQUIPMENT REPLACEMENT	25%
VEH/EQMT REPLACEMENT – ELECTRIC	45%

# Volkswagen Partial Settlement

- On October 25 the U.S. District Court (CA) entered a consent decree that partially resolves allegations that VW violated the Clean Air Act by the sale of approximately 500,000 vehicles containing 2.0 liter diesel engines equipped with defeat devices
- Under this settlement, VW is required to:
  - Remove from commerce (through buyback or lease termination) or perform an emissions modification that has been approved by EPA and CARB on at least 85 percent of the affected vehicles (Appendices A & B of Consent Decree)
  - Spend **\$2.7 billion** to fully remediate the excess NO<sub>x</sub> emissions from the affected vehicles. This money will be used to establish a mitigation trust, with allocations to specific state, territorial, and tribal government beneficiaries to use for specific NO<sub>x</sub> reducing actions (Appendix D)
  - Invest an additional **\$2 billion** to promote and advance the use of zero emission vehicles and infrastructure (Appendix C)

# VW Settlement: ZEV Investment

- For the \$1.2 billion National ZEV Investment over 10 years
  - ZEV infrastructure
    - Level 2 charging at multi-unit dwellings, workplaces, and public sites
    - DC fast charging facilities accessible to all vehicles utilizing non-proprietary connectors
    - Later generations of charging infrastructure
    - Hydrogen fueling stations (or other ZEV fueling stations)
  - Brand-neutral education or public outreach that builds or increases public awareness of ZEVs
  - Programs to increase public exposure and/or access to ZEVs, e.g., carshare and ride hailing services, or ride and drives

# VW Settlement: Mitigation

- \$2.7B will be available to states, tribes and other potential beneficiaries to fully mitigate the excess NOx from noncompliant VW 2.0 liter vehicles
  - Allocation ~ proportional to no. of noncomplying vehicles in the beneficiary's area
  - Administered by an independent Trustee; not EPA
- Eligible actions include projects to replace older, high-emitting trucks, buses, and freight related equipment with newer engines that have lower emissions or zero emissions + ***charging infrastructure for all-electric projects***
  - Beneficiaries can use up to 15% of mitigation funds for LD ***ZEV infrastructure***
  - Trust funds can also be used to match State and Tribal DERA grants
  - Beneficiaries have ten years from effective date of settlement to spend funds
- For ease of implementation and accountability, the list of eligible projects is clearly defined
- Beneficiaries required to: *seek and consider public input, consider benefits in areas with disproportionate share of air pollution burden, submit biannual project reports which Trustee will post publicly*