

Volkswagen Settlement Funds

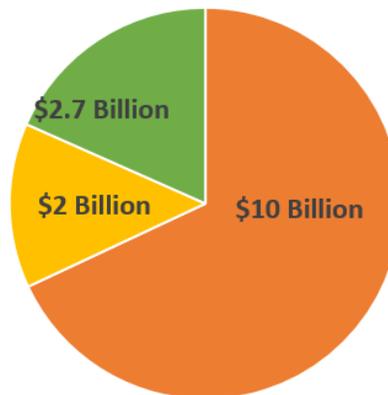
Overview of Settlement

Volkswagen has agreed to settlement of a class-action lawsuit with the U.S. EPA and the State of California regarding diesel vehicles sold that used “defeat devices” to circumvent federal emissions tests. Under the settlement, the majority, \$10.033 billion, will go to consumers who purchased certain Volkswagen vehicles in the form of modifications of their vehicles to meet clean air standards or vehicle buybacks. \$2 billion dollars will go to zero-emissions vehicle investments, which will be administered by Volkswagen. \$2.7 billion will be paid to states for environmental remediation. Of the environmental remediation money, \$92,045,658 is allocated for North Carolina.

Disbursement of the Funds

Wilmington Trust was approved as a trustee by the courts on March 15, 2017. The next major milestone expected in the summer of 2017 is the setting of the Trust Effective Date (TED). Eligible beneficiaries (including the State of North Carolina) have 60 days from the TED to file to become a beneficiary. The trustee will then approve or deny beneficiary status for each state within 120 days of the TED. Finally, the state would then need to file within 90 days of receiving “beneficiary designation” its “beneficiary mitigation plan.” This plan is non-binding, but its purpose is to provide the public with a general sense of how the beneficiary intends to spend the funds. It will publicly available and address the following:

- Overall goal for use of funds
- Categories of eligible mitigation actions the beneficiary anticipates will achieve set goals, including preliminary expectations for allocations of funds to each type of eligible mitigation action
- Description for how the beneficiary will consider the potential beneficial impact of the selected eligible mitigation actions on air quality in areas that bear a disproportionate share of the air pollution burden in the state (NOx is the primary stated emission of concern)
- Description of the expected ranges of emissions benefits the beneficiary estimates would result from implementation of the plan.
- The process by which the beneficiary will seek and consider public input on its mitigation plan



- Vehicle buybacks and modification
- Zero Emission Vehicle Investment
- Environmental Mitigation Trust Fund

Eligible Uses for Environmental Mitigation Funds

The goal of the Environmental Mitigation Trust fund is to achieve reductions of NOx emissions. Along with this primary goal, beneficiaries may choose to consider how environmental mitigation trust funds could help achieve additional goals and policies related to economic development, health, fuel security, energy, renewable portfolio standards, greenhouse gas emissions, and benefits to vulnerable populations.

To accomplish these goals, equipment replacement or re-power options are available. For projects within 10 eligible mitigation categories, equipment with an engine certified for the following can be considered: diesel, biodiesel, renewable diesel, natural gas, propane, hybrids, and electric options.

For more information

Check the following link to the Volkswagen Clean Air Act Civil Settlement periodically:
<https://www.epa.gov/enforcement/volkswagen-clean-air-act-civil-settlement>

To discuss project and partnership opportunities in NC, contact Jason Wager, Centralina Clean Fuels Coalition Coordinator at jwager@centralina.org or 704-348-2707.

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