



Capital Area Council of Governments

6800 Burlison Road, Building 310, Suite 165 Austin, Texas 78744-2306
(p) 512.916.6000 (f) 512.916.6001
www.capcog.org

BASTROP BLANCO BURNET CALDWELL FAYETTE HAYS LEE LLANO TRAVIS WILLIAMSON

February 10, 2017

The Honorable Greg Abbott, Governor of Texas
Office of the Governor
P.O. Box 12428
Austin, Texas 78711-2428

Dear Governor Abbott,

The local governments who make up the Capital Area Council of Governments (CAPCOG) and the Central Texas Clean Air Coalition (CAC) of CAPCOG believe there is great benefit in taking advantage of the \$209 million in funding available to Texas as part of the mitigation trust fund being established as part of Volkswagen's settlement of a class-action lawsuit and encourage you to accept the settlement on behalf of the state. Texas can use this funding to modernize fleets and expand the alternative infrastructure within the state. This funding could mean increased capital investment in the state, more jobs, better vehicles and equipment in service, and cleaner, healthier air for all Texans.

We ask that consideration be given to designating TCEQ as the lead agency (known as the "beneficiary" in the settlement) which must occur no later than 60 days after the Environmental Mitigation Trust Effective Date. This is expected to take place in between January 23- February 22, 2017. Submitting a beneficiary certification by the 60-day deadline will ensure Texas is not excluded from this funding.

TCEQ's expertise administering grants under the Texas Emission Reduction Plan (TERP) and the similarity of TERP projects to the types of projects eligible for funding under this mitigation fund would ensure that the money is spent efficiently and effectively for the intended purpose. Once the trustee for the mitigation fund accepts the state's designated beneficiary (120 days after the Trust Effective Date), the state will need to submit a mitigation plan within 90 days. We have three suggestions for the mitigation plan:

1. Direct that the mitigation plan allocate funding to each state planning region based on that region's total number of registered VW and Audi vehicles that were the subject of this lawsuit;
2. Direct that the mitigation plan target public-sector fleets, which are eligible to receive 100% of the cost of repowering or replacing diesel-powered vehicles or non-road equipment, as opposed to smaller percentages available for private-sector or non-profit-sector projects; and
3. Direct that the mitigation plan include delegation of administrative functions and funding to any Council of Government that desires to administer funding within their region in order to make maximum use of the funding available without needing to increase the TCEQ's staffing levels.

Sincerely,

Bert Cobb
Hays County Judge
Chair of CAPCOG Executive Committee

Sarah Eckhardt
Travis County Judge
Chair of the Central Texas Clean Air Coalition