



Houston-Galveston Area Council

October 2, 2018

Texas Commission on Environmental Quality
Air Quality Division
Implementation Grants Section, MC-204
P.O. Box 13087
Austin, TX 78711-3087
ATTN: VW Settlement

RE: Comments Pertaining to the Use of Volkswagen Mitigation Trust Funds in Texas and the Development of a Final State Beneficiary Mitigation Plan

Dear Chairman Niermann:

The Houston-Galveston Area Council (H-GAC) Transportation Policy Council provides policy guidance and overall coordination for transportation planning activities within the eight-county Houston-Galveston-Brazoria (HGB) ozone non-attainment area. These recommendations along with the enclosed resolution were developed in consultation with regional transportation stakeholders throughout this region and approved by the Transportation Policy Council.

- H-GAC strongly recommends that TCEQ disperse the state Settlement allocation based on the percentage of affected vehicles found within the “priority regions.” This would increase funding to the H-GAC area from \$27 to \$50 million. The severity of air pollution in our area is one of the greatest health risks to residents of our region, particularly the elderly, very young and those with impaired respiratory health. The region’s non-attainment status is also a challenge to our continued economic competitiveness. There is, therefore, an urgent need for the significant emissions reductions which could result from the projects deployed with the Volkswagen Settlement funds. Other areas of the state impacted by the transport of emissions from our area will see air quality improvement as well.
- For governmental recipients, H-GAC recommends an increase in the proposed maximum funding percentage from 60 percent to between 80 percent and 100 percent. Many local governments in the Houston-Galveston region have delayed routine capital budget items such as the replacement of equipment damaged by Hurricane Harvey as other urgent Harvey related costs are being addressed. Increasing the Settlement share to a minimum of 80 percent will accelerate and expand local government participation in Settlement funded activities and assist in local government recovery from Harvey.
- H-GAC recommends that Settlement funds be dispersed in our region through the Houston-Galveston Area Council which has staff with significant experience in similar programs. Doing so will insure local priorities for effective emissions reductions are achieved without significant start up time or an undue increase in administrative costs by TCEQ or local governments. H-GAC will also seek to leverage VW settlement projects with clean air

funding from other sources to increase program effectiveness and accelerate deployment of available funds.

H-GAC believes that TCEQ's leadership along with the above recommendations will enhance our region's ability to mitigate the damage caused by Volkswagen's fraudulent activities and leverage ongoing efforts to improve air quality and public health.

Thank you for the opportunity to comment on this initiative.

Regards,



Alan C. Clark

Director of Transportation Planning and Air Quality

AC/ajd

cc: Mr. Toby Baker, Executive Director, MC 109
Ms. Stephanie Bergeron Perdue, Deputy Executive Director, MC 109
Ms. Dana Evans, Acting Director Environmental Assistance Division, MC 108
Ms. Donna Huff, Air Quality Division Director, MC 206
Implementation Grants Section via email to VWsettle@tceq.texas.gov



Resolution

NO. 2018-18

COMMENTS TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY REGARDING THE DRAFT BENEFICIARY MITIGATION PLAN FOR TEXAS.

WHEREAS the Volkswagen Mitigation Trust Fund was negotiated to resolve allegations that Volkswagen violated the Clean Air Act by selling diesel-powered motor vehicles designed to defeat federal emissions tests by creating a Trust that will disperse \$14.7 billion towards air quality improvement projects throughout the United States; and

WHEREAS \$209 million of these funds will be dispersed to Texas based on the number of Volkswagen vehicles with fraudulent emission controls registered within the state; and

WHEREAS the Texas Commission on Environmental Quality (TCEQ) is seeking comment on its plan to administer funds received by Texas from the Volkswagen Trust; and

WHEREAS The severity of air pollution in the Houston-Galveston region is one of the greatest health risks to its residents, particularly the elderly, very young and those with impaired respiratory health; and

WHEREAS the region's non-attainment status presents challenges the economic competitiveness of the region, limiting its production and manufacturing growth; and

WHEREAS deploying funds based on the location of VW vehicles in violation of emissions standards is the most equitable way to mitigate their adverse air quality impact; and

WHEREAS many local governments in the Houston-Galveston region have delayed routine capital budget items such as the replacement of equipment damaged by Hurricane Harvey as other urgent Harvey related costs are being addressed; and

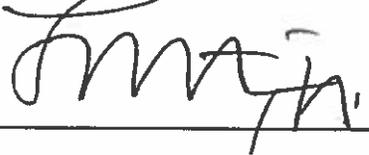
WHEREAS H-GAC has experienced staff and other resources in place to allow for administration of Volkswagen Trust funds without increasing the administrative burden on our local governments or the TCEQ.

NOW THEREFORE the Houston-Galveston area's Transportation Policy Council hereby recommends the Texas Council on Environmental Quality modify its Draft Volkswagen Beneficiary Agreement to:

- Disperse the state Settlement allocation based on the percentage of affected vehicles found within the five “priority areas” thereby increasing funding to the H-GAC area from \$27 to \$50 million to satisfy the urgent need for the significant emissions reductions which could result from the projects deployed with the Volkswagen Settlement funds; and
- Increase in the proposed maximum funding percentage from 60 percent to at least 80 percent for governmental recipients to accelerate and expand local government participation in Settlement funded activities; and
- Disperse Settlement funds in the Houston-Galveston region through the Houston-Galveston Area Council to ensure that local priorities for effective emissions reductions are achieved without significant start up time or an undue increase in administrative costs by TCEQ or local governments.

PASSED AND APPROVED this 28th day of September 2018, at a regularly called meeting of the Transportation Policy Council.

APPROVED:



Honorable Matt Sebesta, Chairman
Transportation Policy Council

ATTEST:



Honorable Tom Reid, Secretary
Transportation Policy Council