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October 5, 2018

The Honorable Jon Niermann
Chair, Texas Commission on Environmental Quality
P.O. Box 13087, MC-204
Austin, TX 78711-3087

Re: Draft Beneficiary Mitigation Plan for Texas, Volkswagen Environmental Mitigation Trust Agreement

Dear Chairman Niermann:

On behalf of the Texas Automobile Dealers Association (TADA), I appreciate the opportunity to file these comments regarding the Draft Beneficiary Mitigation Plan for Texas (Draft Plan). TADA appreciates Governor Abbott entering into the Volkswagen settlement and the work you, your Commission colleagues, and the Texas Commission on Environmental Quality (TCEQ) staff have done to produce a Draft Plan to utilize the \$209 million Texas will receive from the settlement.

TADA represents 1355 franchised new motor vehicle dealerships licensed by the state of Texas. These dealerships are spread throughout Texas in 289 cities and towns. These franchised dealerships are the legal conduit for how new motor vehicles manufactured for Texas consumers and businesses are purchased or leased in the state. The TADA membership includes those who sell light, medium, and heavy duty motor vehicles. Collectively, the franchised dealerships in Texas retail over 1.5 million new motor vehicles every year.

TADA supports the Draft Plan's goals of reducing NOx emissions and other pollutants through grants for the replacement of certain commercial motor vehicles, including Class 4-8 Local Freight Trucks, Class 4-8 Buses, and Class 7-8 Refuse Vehicles. Incentivizing public and private fleets to replace older diesel motor vehicles with new commercially available cleaner motor vehicles achieves important environmental goals and will also stimulate the sale of these commercial vehicles. As the commercial motor vehicle industry is a major contributor to the Texas economy, TADA strongly recommends that the Draft Plan ensure that the new motor vehicles eligible for incentives are purchased through franchised dealers in the State of Texas, and not available for out of state purchases.

TADA also supports the Draft Plan's goal of preparing for the increased and sustained use of zero emission vehicles (ZEVs) by dedicating the full 15% of the \$209 million fund, or \$31 million, for equipment to supply light duty ZEVs with electricity or hydrogen for hydrogen fuel cells. Light duty ZEVs are a growing segment of the new vehicle market, and many additional motor vehicle manufacturers will be producing such vehicles in the next five years. As this segment continues to grow, there will be additional demands for the charging infrastructure to support these vehicles. From TADA's perspective, key components of the ZEV infrastructure plan include the statewide application of these funds and the consideration of installation along key transportation corridors. Both will be needed to ensure that ZEVs are capable of becoming mainstream vehicles for the driving public here in Texas.

Thank you for the opportunity to comment on the Draft Plan. Our members look forward to partnering with the TCEQ to implement the plan when finalized. In the meantime, if you have any questions or I may be of any assistance, please do not hesitate to contact me at

Respectfully submitted,



Robert Braziel

CEO, Legislative Affairs