



October 8, 2018

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

Re: City of Dallas's comments on *Volkswagen* Settlement ("VW Settlement") Draft Beneficiary Mitigation Plan

Chairman Niermann:

The City of Dallas appreciates the opportunity to provide input to the Texas Commission on Environmental Quality ("TCEQ") in the development of the Draft Beneficiary Mitigation Plan for Texas' portion of the VW Settlement. After carefully reviewing the current proposed plan, we have significant concern with TCEQ's decision to direct funds away from Texans that were impacted the most from VW's emissions.

As we have consistently advocated since June 2017, funds from the VW Settlement must be directed towards communities that have the most acute air quality issues and suffered the most public health impacts from illegal VW emissions. The Dallas-Fort Worth ("DFW") region is home to 33% of the vehicles affected by VW's decision to skirt emissions regulations. In addition, DFW has consistently been in nonattainment with federal ozone standards. TCEQ's proposal for the VW Settlement disproportionately funds other areas like San Antonio with less acute air quality issues and fewer affected VW vehicles at the expense of DFW and the health of our residents.

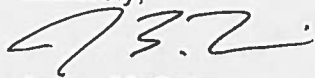
In addition, the funds directed to DFW in the TCEQ's proposal are insufficient to move the needle on DFW air quality. We agree with the North Central Texas Council of Government's estimate that over \$782 million is needed to replace or repower vehicles so they emit less NO_x, an ozone precursor. The \$29 million proposed under the Draft Beneficiary Mitigation Plan would fund just 4% of the identified need. With 78% of DFW's NO_x emissions coming from mobile sources, more funds directed to improving these sources will have a bigger impact on air quality than in regions with fewer mobile sources.

Finally, the proposed maximum funding for governments of 60% represents a high barrier to entry for many potential recipients. We would advocate for raising the maximum funding to at least 80%, if not the 100% allowed by the VW Settlement. This will allow eligible communities to take immediate action on applying for and spending the funds, rather than having to wait for one or more budget cycles to ensure the matching funds are available.

TCEQ should immediately: (1) revise the plan to reflect a fair and equitable distribution based on population and number of affected vehicles; and (2) provide the maximum funding levels for governments. This will better protect Texans in DFW and lead to bigger reductions in NOx emissions statewide.

If you have any questions or would like to discuss further, please do not hesitate to reach out at 214-670-1200.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. McGuire', with a stylized flourish at the end.

James McGuire

Director, Office of Environmental Quality and Sustainability