

Volkswagen Settlement Fund: Promote Fair Use of Settlement Dollars

**Budget Review Subcommittee on Economic Development,
Public Protection, Tourism and Energy
Wednesday, February 12, 2020**

Kristin Baldwin

VP of Public Affairs and Communications
Northern Kentucky Chamber of Commerce

@NKYCCAdvocacy



Advocacy



EMISSION SCANDAL



@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

VW Lied About Emissions Testing

- **Caused Increased Emissions**
- **Poorer Air Quality**
- **Violated Clean Air Act**

@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

Kentucky Awarded \$20 Million



@NKYCCAdvocacy

KY Energy & Environment Cabinet Environmental Mitigation Plan – August 2018

As required by the VW Settlement, the Cabinet has developed a state mitigation plan to provide a transparent process for KY's overall approach for use of these mitigation funds.

@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

Goal: Mitigate Air Quality Impacts

- **Reduce NOx Emissions**
- **Improve & Protect Ambient Air Quality**

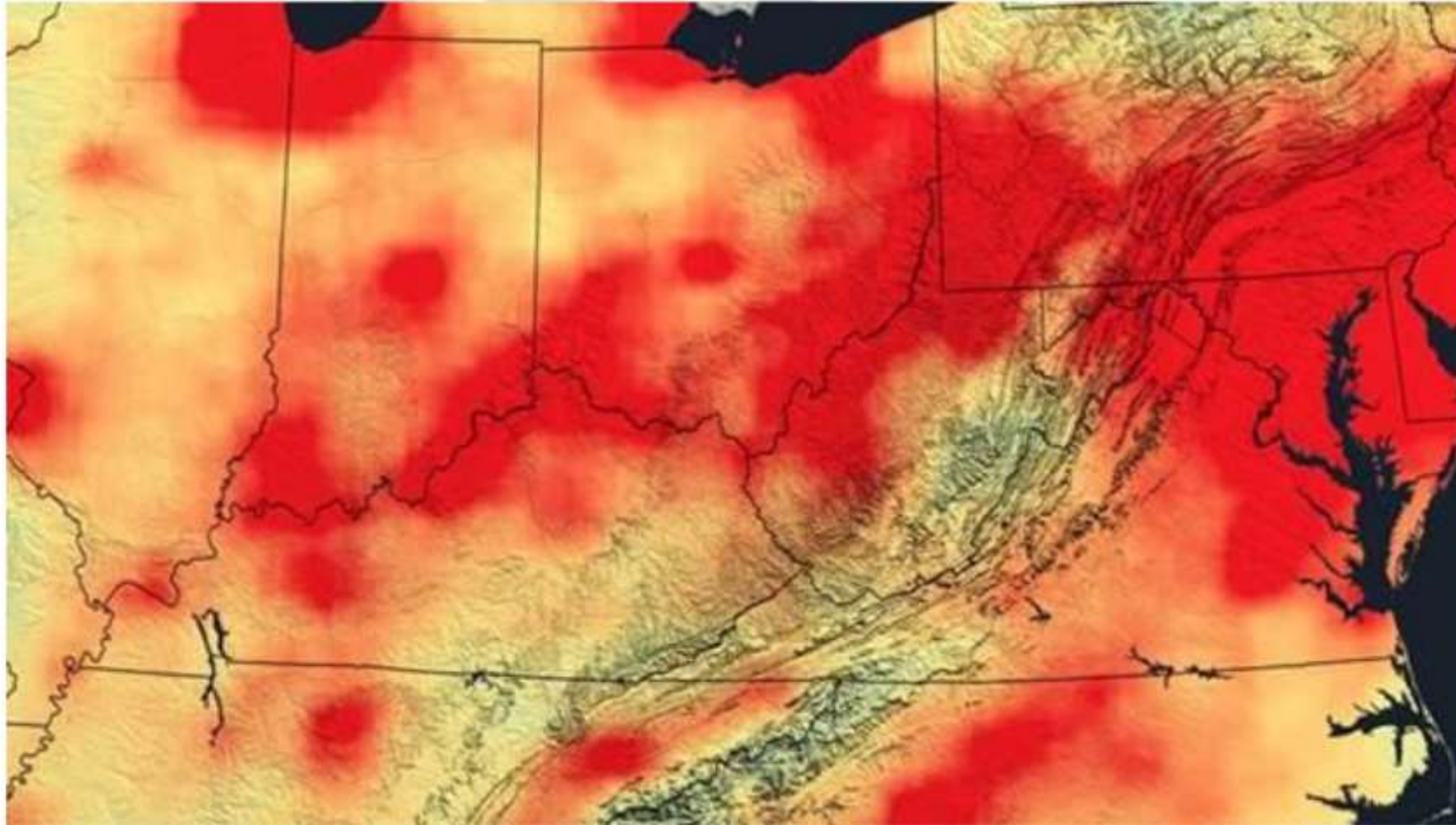
@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

Nitrogen Dioxide Emissions - 2005



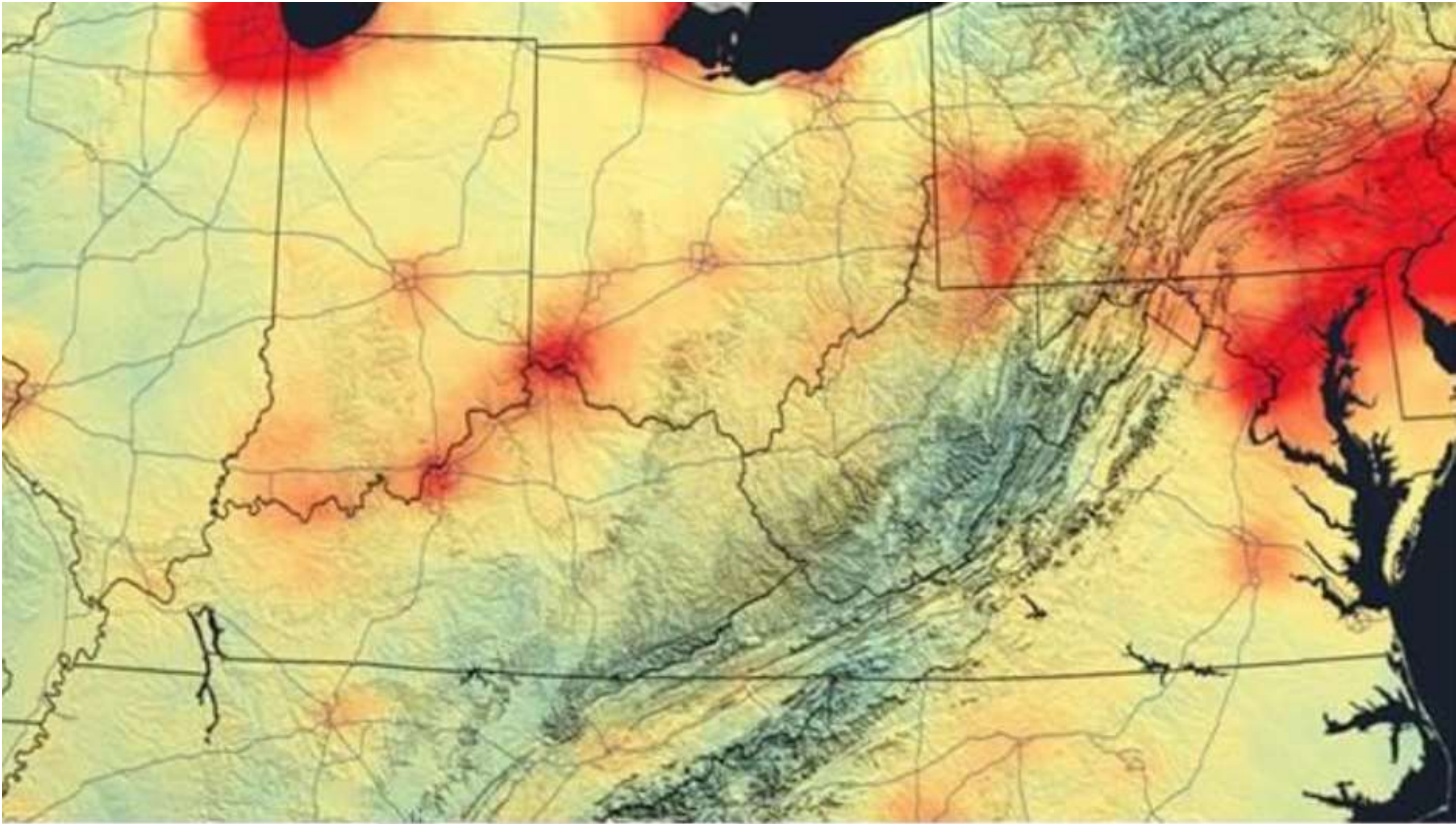
@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

Nitrogen Dioxide Emissions - 2014



@NKYCCAdvocacy

Six Counties Remain in Non-Attainment Areas

Boone
Bullitt
Campbell

Jefferson
Kenton
Oldham

@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

VW Vehicle Registration in Non-Attainment Areas

**44% of All VW Registered in KY were in
the six non-attainment counties**

@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

Primary Goal for Mitigation Projects

- **Implement Projects to lower NOx emissions to Improve Air Quality**
- **Remove older, more polluting diesel engines**
- **Focus on areas that historically bear a disproportionate share of air pollution burden**

@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

Environmental Mitigation Plan

August 2018

- | | |
|---|---------------------|
| 1. Eligible Transit Buses | At least 80% |
| 2. Light Duty Zero Emission Vehicle Supply Equipment | Up to 15% |
| 3. Program Administration | Up to 5% |

@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

HB 352 – Section E: Energy & Environment Cabinet

- 1. 150 Eligible School Buses**
- 2. Eligible Aging Transit Buses**
- 3. Program Administration**

At least 20%

Up to 20%

Up to 5%

@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

Replaced Buses Must Be Scrapped

Appendix D2 to the Partial Consent Decree defines "Scrapped" to mean to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block for all engines. If any Eligible Vehicle will be replaced as a part of an Eligible project, scrapped shall also include the disabling of the chassis by cutting the vehicle's frame rails completely in half.

@NKYCCAdvocacy



Chamber of
Commerce

Advocacy

Leverage Funding by Transit Authorities

Transit authorities have received federal funding to replace aging transit buses.

The federal funding dollars can be leveraged with the VW settlement dollars to maximize impact.

@NKYCCAdvocacy



Advocacy

Zero Emission Vehicles

- **Electricity as a transportation fuel increases our national and local security**
- **Electricity is < ½ the cost of gasoline**
- **Little to no maintenance and consumer fuel cost savings stay in state. Most Electric Vehicle drivers save \$1,000- \$3,000 per year.**
- **Electric Vehicle drivers shop, eat, and visit the businesses that host charging stations while their vehicles are charging.**

@NKYCCAdvocacy



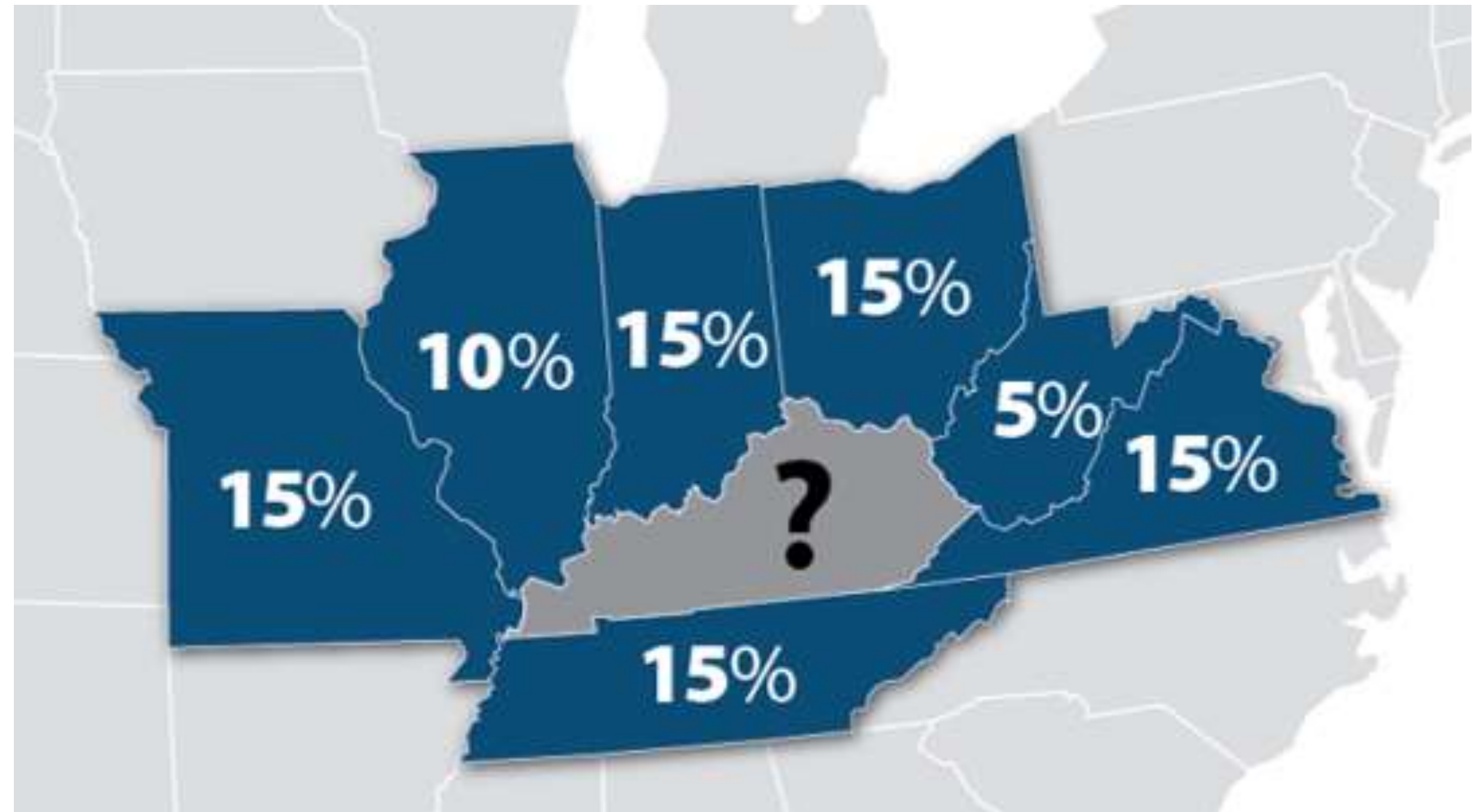
Chamber of
Commerce

Advocacy

Surrounding States Mitigation Plans: Light Duty Zero Emission Vehicle Equipment

August 2018 Mitigation
Plan: Up to 15%

HB 352: 0%



@NKYCCAdvocacy

What Are We Asking You to Do?

1. **SUPPORT** a plan that focuses expenditures on mass transit in nonattainment areas, like NKY, that are experiencing significant economic growth.
2. **SUPPORT** a plan that invests in electric vehicle infrastructure to attract tourism and support a growing market.
3. **ENCOURAGE** a swift implementation and allocation of the funds in order to most effectively capitalize on the unprecedented economic growth Kentucky has seen in the past few years.
4. **SUPPORT** prioritizing projects in areas that had the highest number of Volkswagen vehicles registered that exceeded NOx emissions requirements.

@NKYCCAdvocacy



Chamber of
Commerce

Advocacy