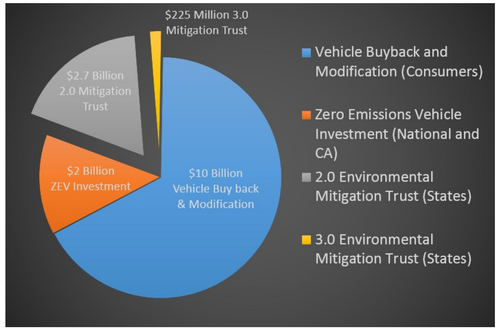
NEW MEXICO ENVIRONMENT DEPARTMENT

VOLKSWAGEN MITIGATION SETTLEMENT

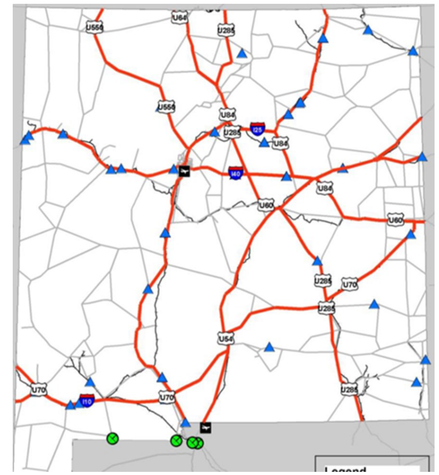


Of the $2.925 billion dollars New Mexico will receive nearly

$18 million dollars in VW settlement funding

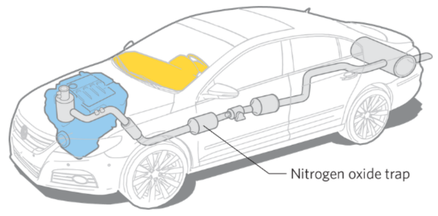
$16,900,502 from the 2.0 partial settlement

$1,082,158 from the 3.0 partial settlement



Major Highways in New Mexico

VW has admitted to installing a 'defeat device' to lower emissions in tests.



Engine Volkswagen said the software discrepancy has occurred on Type EA 189 engines used in around 11 million vehicles. Diesel engines use a complex mix of sensors and filtration methods to track and limit emission levels.

Controls Information gathered by sensors measuring steering and accelerator pedal inputs are suspected to have been used to determine when the cars are being tested for emissions, triggering more thorough treatment of exhaust.

Under the car Modern diesel cars use a mix of devices to meet pollution limits, but they can hamper fuel consumption and other performance, automotive engineers say. Nitrogen oxides in some circumstances could be filtered more heavily based on car configuration.

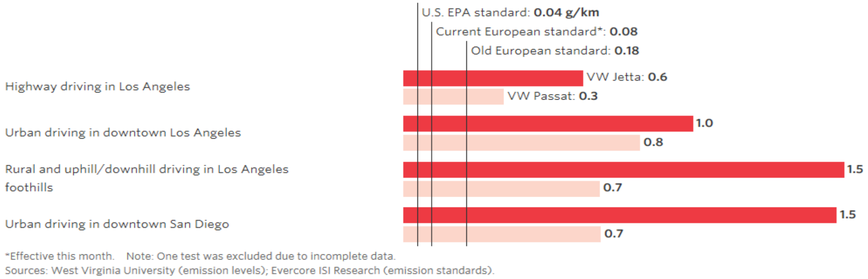
Exhaust Regulators and the Center for Alternative Fuels, Engines and Emissions at West Virginia University detected variations in emissions on Volkswagen cars when they were being operated on the road to those emitted when being tested.

Note: Diagram not to scale
Sources: the company; U.S. Regulators; Center for Automotive Research

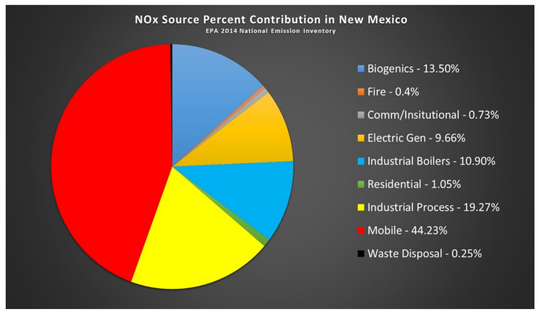
What is a defeat device?

Any device that bypasses, defeats, or renders inoperative a required element of the vehicle's emission control system.

Results of research at West Virginia University into average levels of NO_x (nitric oxide and nitrogen dioxide) emitted by two VW cars.

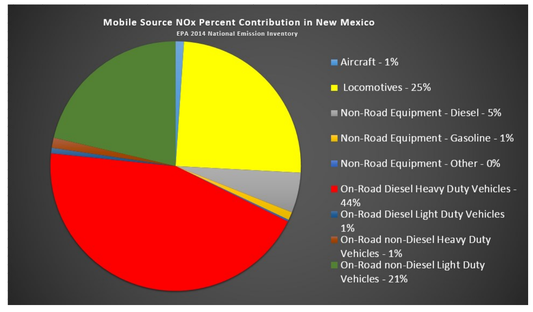


*Effective this month. Note: One test was excluded due to incomplete data.
Sources: West Virginia University (emission levels); Evercore ISI Research (emission standards).



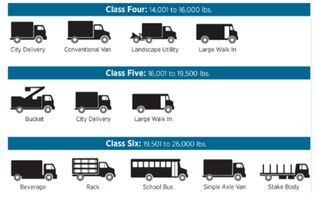
Biogenic NOx occurs from soils, especially heavily fertilized soils, lightning, and volcanoes.

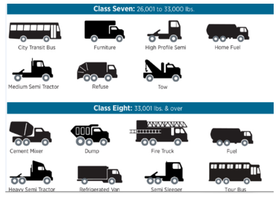
New Mexico is considered a "Bridge State" where a high percentage of the truck traffic is associated with freight movement passing through the state.



Eligible Mitigation Projects

1. **Class 8 local freight trucks and port drayage truck**
2. **Class 4-8 school/shuttle/transit buses**
3. **Freight switcher locomotives**
4. **Ferries/tugboats**
5. **Ocean going vessels, shorepower**
6. **Class 4-7 local trucks**
7. **Airport ground support equipment**
8. **Forklifts and cargo handling equipment at ports**
9. **Light duty ZEV supply equipment up to 15% of allocation**
10. **DERA Option, to use Trust Funds for actions not specifically listed but otherwise eligible under DERA. Beneficiaries may use Trust Funds for their DERA non-federal voluntary match. Trust Funds cannot be used to meet DERA non-federal mandatory cost share requirements. Applies to state and tribal DERA grants only.**





For more information, visit our website at http://www.env.nm.gov/vw-settlement/ or email us at vw.info@state.nm.us.