



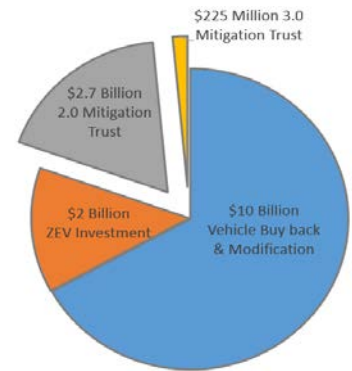
# New Mexico Environment Department

PROTECTING OUR ENVIRONMENT, PRESERVING THE ENCHANTMENT

## Volkswagen Mitigation Settlement Funding

From 2009 through 2015, Volkswagen sold diesel passenger cars in the United States with air pollution emission control defeat devices that violated federal motor vehicle emission standards. Volkswagen has agreed to a settlement of claims brought by the U.S. Department of Justice, the Environmental Protection Agency, and the California Air Resources Board. The emission control defeat devices used by VW allowed up to 40 percent higher nitrogen oxide emissions during normal driving.

To mitigate, or offset, environmental damages caused by violating the U.S. Clean Air Act, the settlement requires VW to invest \$2.925 billion in an independently administered environmental trust. The trust will fund projects to fully mitigate the diesel emissions caused by the violating vehicles. States, tribes, Puerto Rico, and the District of Columbia have been allocated a portion of the trust based on the number of affected vehicles in their jurisdiction. The State of New Mexico anticipates receiving approximately \$18 million from the Environmental Mitigation Fund beginning in 2018. The trust establishes a process to administer the funds and must approve projects.



The Environmental Mitigation Funds will be overseen by Wilmington Trust, the court appointed trustee, but a trust effective date has not yet been established that triggers next steps for states. Appendix D-2 of the 2.0 liter partial consent decree outlines acceptable expenditures in the Environmental Mitigation Trust.

The State intends to use Environmental Mitigation Trust funds to facilitate the replacement of older diesels with newer, lower emitting vehicles, utilizing the latest clean diesel, natural gas, propane, electricity and other available low emission fuel/engine technologies. There are a wide range of projects with identifiable environmental benefit, but the limited funding available will require a formal selection process to determine the most cost-effective and health protective projects. Selection criteria will include, but are not limited to, projects that best meet program goals (e.g., replace high priority legacy vehicles, maximize cost effective emission reduction, and benefit vulnerable populations) within the following categories:

1. Class 8 Local Freight Trucks and Port Drayage Trucks (Eligible Large Trucks)
2. Class 4 – 8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)
3. Freight Switcher Locomotives
4. Class 4 – 7 Local Freight Trucks (Eligible Medium Trucks)
5. Airport Ground Support Equipment
6. Forklifts and Cargo Handling Equipment at Ports
7. Light Duty Zero Emission Vehicle Supply Equipment (Up to 15% of the Allocation)
8. Matching Funds for Projects Eligible under the Diesel Emission Reduction Act (DERA)

For additional information, call or email us using the contact information below, or visit our website at <https://www.env.nm.gov/vw-settlement/>.