

November 1, 2017

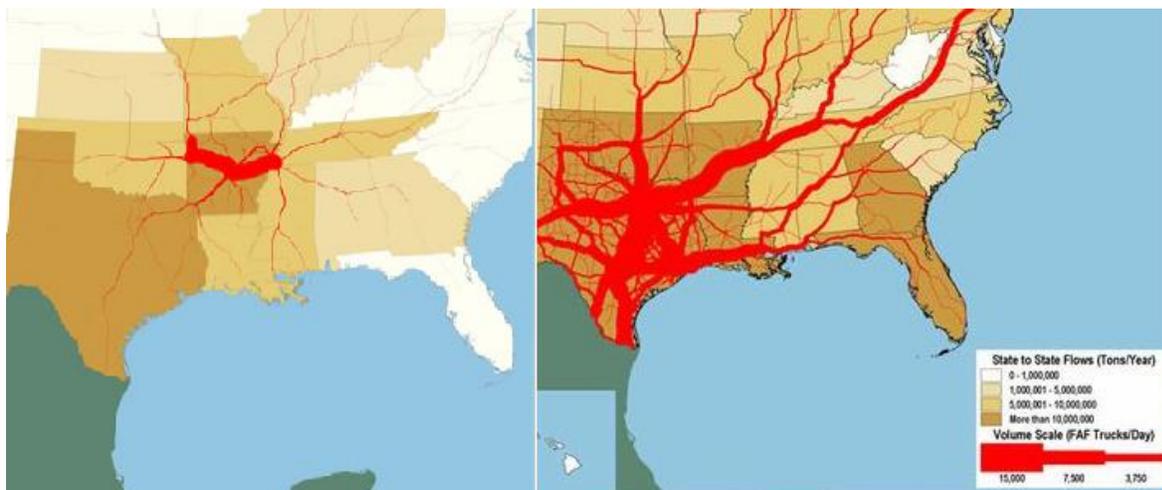
Tricia Treece
Arkansas Department of Environmental Quality
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Re: Inclusion of Funding for Interstate Alternative Fuel Trucks – Response to VW Consent Decree RFI

Dear Ms. Treece:

On behalf of the Interstate Clean Transportation Corridor (ICTC), I would like to thank the Arkansas Department of Environmental Quality (ADEQ) for the opportunity to submit the following comments on the VW BMP. Our response to the RFI is focused on using the VW funding to shape a program that will effectively reduce NOx emissions in the state. ICTC is driven to create clean fuel corridors that accelerate the deployment and stimulate commercialization of cleaner fuel technologies for heavy-duty trucks. ICTC's efforts focus on the market development and the deployment of alternative fuel vehicles and infrastructure. We believe that the environmental benefits derived from replacing heavy duty diesel trucks with cleaner vehicles will reduce cancer risk, increase energy independence, and improve overall health for residents of Arkansas. ADEQ can play a prime roll in putting clean vehicles on the road.

Interstate goods movement trucks have very high vehicle miles travelled (VMT) and offer an outstanding opportunity to tap an extremely cost-effective source of emission reductions, petroleum displacement and acceleration of near-zero emission technologies. While Arkansas generates less freight volume than some of its surrounding states, it is placed as a critical "through state" for goods moving between the Gulf States and the east coast. The graphic below¹ displays the key placement of Arkansas and its interstate



corridors playing a large role in moving freight to and from trade partners throughout the United States.

¹ California Transportation by the Numbers: https://www.rita.dot.gov/bts/sites/rita.dot.gov.bts/files/california_11x17.pdf

On-road heavy-duty diesel vehicles account for the largest share of NOx emissions in Arkansas throughout all sectors, and they even produce 50% more than coal fired electricity generation.² Prioritizing incentives on these vehicle types should be of utmost importance as the goal is to reach conversion quickly in order to meet state air quality goals.

The most effective use of incentive funding is to target high-mileage, heavy-duty trucks with a specific allowance for interstate vehicles that operate in interstate goods movement. State agencies often restrict incentive funds to vehicles that operate mostly in-state, and this inadvertently prevents some of the most attractive markets from developing without funding support. Interstate goods movement trucks have very high VMT and offer an outstanding opportunity to tap an extremely cost-effective source of emission reductions, petroleum displacement and acceleration of near-zero emission technologies.

Recommendation 1: Provide funding for vehicles that operate across state lines

We strongly encourage the ADEQ to develop programs that encourage interstate funding and collaboration. As evidenced by the map above, there are many vehicles that do business on Arkansas's highways, and the fleets could greatly expand alternative fuel use with clean vehicle funding, but the existing programs exclude fleets that operate significantly across state lines. To date the majority of funding offered to fleets requires that the use of the funded vehicles must occur within Arkansas, but accommodating funding for fleets that operate with a greater percentage of time in other states will still create a desperately needed benefit within Arkansas. In this scenario it would be appropriate to offer funding at levels that are commensurate with the in-state use, with funds coming from multiple agencies to provide meaningful funding levels. Technologies available today, such as telematics and geofencing, make it feasible to monitor the location of miles traveled by interstate trucking under a cooperative program. This can lead to an effective way to fund and allocate percentages between multiple states in the case of a shared funding pool. Currently, the VW funding, targeted at effective reduction of NOx emissions, is allocated to each state with each state's beneficiary deciding on the most effective use. Funding such as this and other public funds continue to offer an opportunity for interstate cooperation targeted at clean transportation.

Recommendation 2: Can't Fool Me Twice – Do Not Fund Diesel.

The VW Settlement funds came into existence because diesel engines do not perform up to their demanded standards at the levels of emissions for which they are certified. Studies are showing that in real-world duty cycles, diesel engines produce significantly more NOx than their certified levels. Funding diesel engines with VW Settlement money would be counterproductive to reducing NOx in Arkansas.

Recommendation 3: Prioritize funding to encourage the strategic placement of publicly accessible fueling infrastructure

We recommend that the projects that have the best cost effectiveness for realizing the greatest displacement in gasoline and diesel use be given a greater share of the funding, thereby, increasing the rate of program success. We recommend that ADEQ plan to enhance the network of publicly accessible

² "2014 National Emissions Inventory." United States Environmental Protection Agency. <https://www.epa.gov/air-emissions-inventories/2014-national-emissions-inventory-nei-data>.

fueling infrastructure thereby reducing range anxiety for fleets that want to deploy NGVs. VW Settlement funds cannot be spent directly on infrastructure, but the programs that they can create that will ultimately fund cleaner heavy duty vehicles should have infrastructure considerations when evaluating the applicant. For example, priority could be given to fleets that plan infrastructure to be installed within close proximity of main thoroughfares. This aligns with the priorities of the 2015 Fixing America's Surface Transportation (FAST) Act, as detailed in Appendix C of the BMP

Cancer risks are greatly increased within close proximity of roads and highways that many have become diesel exposure corridors, particularly those with high VMT by heavy-duty vehicles. Because the cancer risk is greatest along highways and cost effective NOx reduction is the priority for VW settlement funds, our recommendations simultaneously achieve the goals of NOx reduction and cancer risk reduction that stems from diesel use. We are eager to work with you and your team to advance zero and near zero emission technologies and to accelerate the deployment of clean technology in Arkansas. In particular, we would love to assist in developing an impactful way to deploy clean technology in Arkansas by funding clean interstate transportation.

Sincerely,

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