



# Maine's VW Settlement



## Background

The U.S. District Court in Northern California approved a partial consent decree to settle allegations that Volkswagen (VW) had installed defeat devices on 2.0 and 3.0-liter diesel vehicles sold or leased in the United States.

Under normal driving conditions, these defeat devices switched off emission control equipment, allowing emissions of nitrous oxide (NOx), which adversely affects heart and lung health, to exceed up to 40 times established vehicle emission standards.

The 2016 and 2017 court settlements order VW to fund actions that reduce NOx emissions to improve air quality and provide health benefits.

These actions will be carried out by "beneficiaries", consisting of each state, Puerto Rico, Washington DC, and Native American tribes.

## Maine's VW Settlement Allocation

Each beneficiary's settlement amount is determined by the number of registered vehicles identified as having defeat devices. Maine's allocation totals just over \$21 million dollars.

There are strict rules about how and when this money can be spent. Although MaineDOT has been designated as the lead agency for fund distribution, input from the Maine Department of Environmental Protection, the Governor's Energy Office, and the public is critical to realizing the greatest gain for Maine's air quality.

## Eligible Actions & Expenditures

### How can Maine spend its share?

There are ten categories of eligible actions and expenditures allowed by the VW Settlement.

Briefly, they are replacement of:

- Class 8 local freight or port drayage trucks;
- Class 4-8 school, shuttle, or transit buses;
- Pre-tier 4 freight switcher locomotives;
- Tier 0-2 ferry or tug engines;
- Class 4-7 local freight trucks;
- Airport ground support equipment;
- Forklifts and port cargo handling equipment;

In addition, installation of:

- Shore power for ocean going vessels; light duty zero emission vehicle supply equipment; or
- Non-federal voluntary match for the Diesel Emission Reduction Act (DERA) Program.

There are allowances for coverage of eligible administrative costs and in some cases, specific amounts of matching funds from a source other than the VW Settlement is required.

## Maine's Funding Priorities

### What criteria will be used to select actions?

Funding decisions will be based on criteria required by the court settlement and priorities established by Maine's Beneficiary Mitigation Plan. Selected actions will likely include those that demonstrate:

- The greatest NOx emission reductions or offset per dollar invested;
- Maximized public health benefits;
- Experience and existing administrative and programmatic structure in place for implementing diesel emission reduction or offset projects;

- Reduced air pollution from diesel fleets at ports, rail yards, terminals, school depots/yards, and freight distribution centers;
- Impacted Federal Class I areas, such as Acadia National Park, Roosevelt Campobello International Park, and Moosehorn Wilderness Area;
- Verified cost-share or leveraged funding;
- Implementation will occur within two years of award date; and
- Sustained emission benefits over the ten-year trust effective period.

## Timeline

### When will funding be available?

The timeline for available funding began on October 2, 2017 when the U.S. District Court approved the modified Settlement Agreement with VW and the Settlement Trustee, Wilmington Trust. Within 60 days of October 2nd, Maine will apply for Beneficiary status. Prior to submission to the Trustee, MaineDOT will hold two public meetings and solicit comments and input on the Beneficiary Mitigation Plan via [mainedot.gov/vw](http://mainedot.gov/vw).

After the Trustee approves that Plan, Maine will finalize the competitive processes by which funding can be requested. All applications, guidance, and results will be posted on [mainedot.gov/vw](http://mainedot.gov/vw). Because only one third of the allocation can be distributed in the first year and two thirds in the second year, multiple funding rounds are anticipated.

**FMI**

**Visit [mainedot.gov/vw](http://mainedot.gov/vw) or [vwclearinghouse.org](http://vwclearinghouse.org) for more information about the Settlement.**

