

# **2016 Volkswagen Settlement**

Consent Decrees have been finalized between the U.S. Justice Department, the Volkswagen (VW) Corporation and its subsidiaries regarding the installation and use of emission testing defeat devices in approximately 580,000 vehicles sold and operated in the U.S. between 2009 and 2016. The settlement requires VW to pay approximately \$2.9 billion in to an Environmental Mitigation Trust Fund to offset the excess air pollution emitted by the subject vehicles. Alabama expects to receive approximately \$23 million from the Trust between 2017 and 2027, to fund certain eligible projects, mainly projects designed to reduce NOx emissions from diesel vehicles and equipment. The Alabama Department of Environmental Management (ADEM) must develop a Beneficiary Mitigation Plan, which will describe how the funds will be distributed to eligible projects. ADEM believes that the mitigation plan will need to be submitted no earlier than June 2017. ADEM will consider information and ideas received from the general public, public and private fleet owners, government officials and transportation organizations pertaining to how the funding should be spent within the allowable uses. For detailed information on the consent decrees, please visit the following sites:

<https://www.epa.gov/sites/production/files/2016-10/documents/amended201partial-cd.pdf>

<https://www.epa.gov/sites/production/files/2016-12/documents/30literpartialconsentdecree.pdf>

## **General Description of Eligible Mitigation Actions:**

- Class 8 Freight Trucks and Port Drayage Trucks (Eligible Large Trucks)
- Class 4 – 8 School Bus, Shuttle Bus, or Transit Bus (Eligible Buses)
- Freight Switchers
- Ferries/ Tugs
- Ocean Going Vessels (OGV) Shorepower
- Class 4 – 7 Local Freight Trucks (Medium Trucks)
- Airport Ground Support Equipment
- Forklifts and Port Cargo Handling Equipment
- Light Duty Zero Emission Vehicle Supply Equipment
- Diesel Emissions Reduction Act (DERA) Option

For further details concerning eligible mitigation actions, please refer to Appendix D-2 of the consent decree found at the following link:

<https://www.epa.gov/sites/production/files/2016-10/documents/amended20lpartial-cd.pdf>

## **Next Steps**

As mentioned above, ADEM believes that the mitigation plan will be due no earlier than June 2017, and that funding will be available no earlier than Fall, 2017.

This website will be updated when specific project proposals can be accepted by ADEM.

## **Contact**

Please direct questions on the VW settlement and submit any comments or suggestions concerning the Beneficiary Mitigation Plan to the ADEM Air Division at [airmail@adem.alabama.gov](mailto:airmail@adem.alabama.gov).