



# State Planning for VW Settlement Funds

## Quick Reference Guide on Stakeholder Engagement

The purpose of this quick reference guide is to help states develop a productive stakeholder engagement process for state planning related to the [Volkswagen \(VW\) Clean Air Act Civil Settlement](#).

Under the settlement, states, territories, and tribes will receive funds to mitigate the excess emissions of nitrogen oxides (NO<sub>x</sub>) from Volkswagen diesel vehicles. States will receive between \$8 million and \$423 million in initial allocations, with 20 states receiving more than \$50 million. Each state will develop a plan to use these funds for eligible mitigation actions.

Lead<sup>1</sup> and supporting agencies within each state will play a central role in shaping the stakeholder engagement process for this planning. While these agencies already work with a broad set of relevant organizations, the VW settlement funds create new opportunities for both broader and deeper engagement.

Based on state requests, this guide provides an illustrative (not comprehensive) list of stakeholders that lead and supporting state agencies could consider engaging, including other state agencies, state and regional authorities, state-focused organizations, federal agencies, local governments, non-governmental organizations, utilities, and businesses. The list was populated based on input from states that have already initiated their planning process for VW settlement funds.

## Potential Stakeholders

### State Government and State and Regional Authorities

State government and state and regional authorities play a central role in the design and implementation of state air quality and transportation planning and related stakeholder engagement processes. A state-designated lead agency will coordinate the administration of the VW settlement funds. A number of other agencies and authorities may have relevant responsibilities and expertise.

State agencies with relevant responsibilities could include the following (agency names vary by state):

- Agency responsible for VW settlement funds
- Agency engaged in [Clean Cities](#) (visit Clean Cities [Locations](#) and [Contacts](#) for more information)
- Agency responsible for [Congestion Mitigation and Air Quality Improvement \(CMAQ\)](#)
- Agency responsible for [Diesel Emissions Reduction Act \(DERA\)](#)
- Agency responsible for [State Energy Program \(SEP\)](#)
- Agency responsible for electrical codes
- Agency responsible for vehicle fleets

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<sup>1</sup> For information on the identification of lead agencies, see paragraph 4.2 of the first partial settlement: <https://www.epa.gov/sites/production/files/2016-10/documents/amended201partial-cd.pdf>

Specific state government entities could include:

- Governor's Office/Executive Cabinet/Attorney General
- Air quality (e.g., Air Resources Board, Air Pollution Control, Air Quality Division)
- Budget
- Economic development (e.g., Commerce, Economic and Community Development)
- Education
- Emergency management
- Energy (e.g., State Energy Office, Energy Commission, Energy Division)
- Environment and conservation (e.g., Environmental Quality, Environmental Protection Agency)
- General services
- Housing
- Labor
- Legislature and legislators
- Motor vehicles
- Natural resources
- Parks and recreation
- Planning
- Public health (e.g., Department of Health, Department of Health and Human Services)
- Public utility regulator (e.g., Utility Commission, Public Service Commission, Corporation Commission)
- Solid waste
- Tourism

State and regional authorities could include:

- Airport Authorities
- Metropolitan Planning Organizations (MPOs)
- Port Authorities
- Regional planning authorities
- Regional transit authorities
- Regional transportation organizations (e.g., Clean Cities Coalitions)

Additionally, lead and supporting agencies may find it valuable to engage other states and their respective agencies for peer exchange and coordination of plans.

### State-Focused Organizations

Several national organizations focus specifically on supporting states—including on air quality, clean transportation, and related issues—through peer exchange opportunities and through the development and dissemination of tools and resources. Relevant organizations could include the following:

- [American Association of State Highway and Transportation Officials \(AASHTO\)](#)
- [National Association of Clean Air Agencies \(NACAA\) \(VW settlement information\)](#)
- [National Association of State Energy Officials \(NASEO\) \(VW settlement information\)](#)
- [NASEO & NACAA VW Settlement Clearinghouse](#)
- [National Association of Regulatory Utility Commissioners \(NARUC\)](#)
- [National Governors Association \(NGA\)](#)
- [The Environmental Council of States \(ECOS\)](#)

### Federal Agencies

The U.S. Department of Justice and U.S. Environmental Protection Agency have roles in the legal resolutions with VW, while other federal agencies have resources and expertise that may be relevant to specific elements of state plans for the use of VW settlement funds.

- U.S. Department of Justice (DOJ) ([VW settlement information](#))
- [U.S. Environmental Protection Agency \(EPA\) \(VW settlement information\)](#)

## Local Governments

Local governments (cities, towns, counties) can be key partners in state air quality and transportation planning. In some cases, they may represent communities impacted by excess emissions of NO<sub>x</sub> as well as potential locations for mitigation projects. Local governments are eligible to apply for funding from their state's allocation of settlement funds and may have valuable insights that could contribute to robust state planning. Relevant stakeholders could include representatives of the following offices:

- Executive office (e.g., mayor, council, supervisors)
- General services
- Policy and planning
- Sustainability
- Transportation
- Local government networks (e.g., Council of Governments)

## Non-governmental Organizations and Research and Educational Institutions

Non-governmental organizations and research and educational institutions provide expertise and important perspectives on a range of air quality and transportation issues, including technology deployment, environmental and public health impacts, and regionally-specific considerations. Relevant stakeholders could include representatives of organizations in the following areas:

- Clean technology
- Environment and public health
- Geographically-based non-profits
- Issue-oriented non-profits (e.g., related to environmental justice, clean transportation, and clean air)
- Research centers (e.g., Electric Power Research Institute (EPRI))
- Schools and universities

## Utilities

Electric and fuel utilities shape the energy dimensions of state air quality and transportation planning. State coordination with utilities is important for enabling advancements in clean transportation. For example, a state may work with local utilities on rate structure for electric vehicle (EV) charging. Relevant stakeholders could include representatives of the following entities and their associations:

- Electric utilities
- Fuel utilities

## Businesses

Businesses serve as both suppliers and end users of clean transportation technologies and services, including those eligible for inclusion in state plans under the VW settlement. Relevant stakeholders could include representatives of companies and trade associations in the following areas:

- Agriculture
- Electric vehicle charging
- Energy storage
- Freight
- Fuel suppliers and distributors
- Infrastructure and support materials
- Local businesses (e.g., chambers of commerce)
- Manufacturers of non-road and off-road equipment
- Transit
- Vehicles (light, medium, heavy duty)
- Vehicle fleets
- Waste management

Lead and supporting state agencies may also find it valuable to consider VW's Zero Emission Vehicle Investment Plan. ■