



*Congress of the United States
House of Representatives
Washington, D.C. 20515*

*Anna G. Eshoo
Eighteenth District
California*

October 4, 2016

The Honorable Gina McCarthy, Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Administrator McCarthy,

Thank you for all your work to promote clean air, water, energy, and transportation in our country. In particular, I appreciate your willingness to fight for consumers and our environment in the Volkswagen "Clean Diesel" litigation and the proposed settlement agreement which was released on June 28, 2016. I write today seeking additional details on Appendix C of the proposed agreement which directs \$2 billion toward deployment of electric vehicles (EV) and infrastructure. In particular, I'm concerned that a lack of oversight of implementation of Appendix C could adversely affect our domestic electric vehicle market.

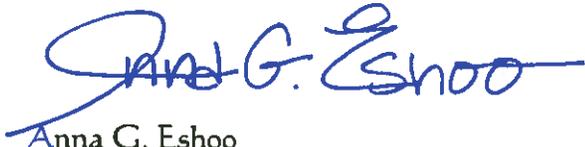
The proposed settlement comes at a crucial time and could be a major boost to our country's transition to an electrified transportation system. Electric vehicle sales are continuously rising as costs decrease and infrastructure continues to be built across the country. In California, the \$800 million proposed for infrastructure under Appendix C would allow our state to continue to lead the world in EV deployment.

However, Appendix C is unclear on future oversight responsibilities for the \$2 billion in EV initiatives that are promised. Of particular concern is the broad authority granted to Volkswagen to direct the investments to be made under Appendix C, including possible investments in its own proprietary technology or subsidiaries. By contrast, the \$2.7 billion in environmental cleanup funds under Appendix D of the agreement are directed to an environmental mitigation trust with significant independent oversight.

I would appreciate any details you can provide about the implementation of Appendix C of the proposed Volkswagen "Clean Diesel" settlement agreement. These funds have the potential to significantly jumpstart the industry, but they must be subject to oversight by the proper federal and state regulators to ensure they are used in a way that promotes competition and consumer choice in the domestic EV market.

Thank you again for your leadership and cooperation. I look forward to your timely response.

Most gratefully,

A handwritten signature in blue ink that reads "Anna G. Eshoo". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Anna G. Eshoo
Member of Congress

cc: Mary Nichols, Chairwoman, California Air Resources Board