



2423 East Robinson Avenue, Springdale, Arkansas 72764

To: Tricia Treece  
Arkansas Department of Environmental Quality  
Date: October 5, 2017

Tricia,

This letter is in response to the Request for Information (RFI) in regards to the Volkswagen Consent Decree Environmental Mitigation Trust for the State of Arkansas and the State of Arkansas Volkswagen Environmental Trust Beneficiary Mitigation Plan.

Ozark Regional Transit (ORT) is one of several fixed route public transit providers in Arkansas. We are considered one of only two transit authorities in the State and are a political subdivision of Washington, Benton, Carrol and Madison Counties. Our fixed route service area is focused on Benton and Washington Counties in Northwest Arkansas.

In reviewing the Consent Decree, I observed that transit buses are considered eligible projects under section III of the RFI.

ORT has recently made submission for a Federal Transit Administration grant under the 5339: Bus and Bus Facilities competitive grant process. Our grant request includes an administration building, fifteen (15) Compressed Natural Gas (CNG) powered low floor transit buses, and a CNG fueling facility. The purpose of this grant application is to replace buses lost in a fire that ravaged our fleet on January 10, 2017.

ORT is located in an area of Arkansas that is lacking in its availability of alternative fueling options. Therefore, in the past, ORT has not considered CNG as a viable option for its fleet. The successful receipt of the 5339 grant would make CNG readily available as an alternative to conventional fossil fuels. With the on-site fueling facility, ORT would be able to grow its CNG fleet beyond the initial grant request of 15 vehicles.

ORT's 5339 grant application is for:

CNG Fueling Facility –	Total Cost = \$2,225,490
	Federal Match Request = \$2,002,941
	Local Match Required = \$222,490
15 CNG Buses -	Total Cost = \$4,950,000
	Federal Match Request = \$4,207,500
	Local Match Required = \$742,500

The total local match required by this Federal application will be \$964,990

Under Appendix A: Eligible Mitigation Projects, Section 1.f.2, it states that "Beneficiaries may draw funds from the Trust in the amount of: 2. Up to 100% of the cost of a new diesel or Alternate Fueled Vehicle." However, it is implicated throughout the draft document that the funding is for replacement or repowering and that replaced vehicles must be scrapped (Appendix A: Section 2.b).

Also under Appendix A.10, the indication is that "Beneficiaries may use Trust Funds for their non- federal voluntary match..".

My first question is: Would any of ORT's diesel powered vehicles lost in the fire on January 10, 2017, qualify for vehicle replacement? Or, must vehicles currently in service have to be destroyed?

Secondly: Would ORT be considered as one of the recipients for this funding stream for its CNG fueling facility?

And finally: Is there a maximum limit percentage that any one organization may qualify for consideration of funding disbursement?

According to Appendix B: ORT's service area has two of the top three counties in Arkansas where the Subject Vehicles are registered. Our service area also includes two of the top three counties in Arkansas that produce on-road Nitrogen Oxide emissions.

Thank you for taking the time to read and respond to these questions. ORT's hope it that we may be able to move our vehicle power units from traditional fuels to CNG. To do this, support from granting opportunities such as this would be greatly appreciated and necessary.

A handwritten signature in black ink, appearing to read 'JG', with a long horizontal line extending to the right.

Joel Gardner  
Executive Director  
Ozark Regional Transit