

October 31, 2017

Tricia Treese  
SIP / Planning Supervisor  
Arkansas Department of Environmental Quality  
5301 Northshore Drive  
North Little Rock, AR 72118

Re: RFI regarding the Volkswagen Consent Decree Environmental Mitigation Trust

Dear Ms. Treese:

We appreciate the opportunity to provide our comments to the Arkansas Department of Environmental Quality (ADEQ) on the most cost-effective methods to reduce nitrous oxide (NOx) emissions in Arkansas through the \$14.6 million in funding provided by the Environmental Mitigation Trust.

Cummins Inc. is a global power leader that designs, manufacturers, sells, and services diesel and natural gas engines, power generation systems, and related products and technologies. We serve our customers through our network of 600 company-owned and independent distributor facilities and more than 7,200 dealer locations in over 190 countries and territories, including two sales and service locations here in Arkansas. We are currently in development on fully electric and hybrid electric platforms which will become commercially available beginning in late 2019. For almost a century, Cummins has been honored to partner with local clean air agencies, nonprofits, and our business customers to improve the communities where we live and work.

Based on today's commercially available technology and the associated costs, the most cost-effective manner for Arkansas to administer the funds related to the VW settlement is to focus on the replacement of existing diesel vehicles with CNG vehicles and engines. With an impact roughly three times greater than investment in equivalent electrical vehicles, CNG options offer NOx emissions equivalent to a 100% battery vehicle, with costs as much as 70% lower than electric, and stable fuel costs to assure ongoing affordability and sustainability.

Similarly, investing in the State Clean Diesel Grant to support the ongoing efforts of the ADEQ's Go RED! program, will have immense impact by simply enabling modern clean diesel technology; clean diesel offers substantial gains in environmental standards through established infrastructure and proven technology, assuring reliable, cost-effective solutions. The EPA has found that investment in clean diesel achieves 50 times greater NOx avoidance than investment in electrical infrastructure, and DERA initiatives have a proven track record of success, collectively upgrading 73,000 older vehicles to the latest emissions standards, and removing 335,000 tons of NOx between 2008 and 2013 through Go RED! and other state programs.

Thank you again for the opportunity to provide our comments regarding Arkansas' administration of the Environmental Mitigation Trust funds. We look forward to seeing the results of your efforts, and hope that you'll use our experts as a resource as you continue to assess various technologies and options. Please feel free to contact us if you have any questions or need any additional information about our products or capabilities in emissions reduction and alternative fuels.

Respectfully,

Doug Powers  
*General Manager, North Little Rock*  
Cummins Sales and Service, Gulf Region