



**To: Missouri Department of Natural Resources (DNR)**  
**From: Ronald J. Leone, MPCA Executive Director**  
**Date: December 7, 2017**  
**Subject: \$41+ Million VW Settlement**

**I. MPCA.** The Missouri Petroleum Marketers & Convenience Store Association (MPCA) is a 300+ member statewide trade association, established in 1937 and located in Jefferson City, Missouri, which represents the majority of the convenience stores, gas stations, truck stops, petroleum marketers and their suppliers all across Missouri.

Many MPCA members are small, second or third generation family owned businesses.

Please accept this communication as MPCA's formal and public comments regarding the issue commonly referred to as the "\$41+ Million VW Settlement."

**II. DNR'S WEBSITE. "How will Missouri use funds from the VW settlement?"**

Missouri expects to receive more than \$41 million under the settlement. The Missouri Department of Natural Resources is our state's lead agency. The department will administer funds to eligible businesses and government entities in an effort to reduce air pollution from mobile sources.

The department's Air Pollution Control Program is hosting public meetings and proactively seeking comments from the public and interested stakeholders. The department will use stakeholder input to help it develop a 10-year plan for using the funds. Eligible projects must reduce NO<sub>x</sub> pollution and correspond with one of the following classifications, as stipulated in the settlement.

**Class 8: Local freight trucks and port drayage trucks.**

**Class 4-8: school buses, shuttle buses or transit buses.**

Freight switcher locomotives.

Ferries/tugs.

Shore power for ocean-going vessels.

**Class 4-7: Local freight trucks.**

Airport ground support.

Forklifts and other equipment for handling port cargo.

**Charging equipment for light-duty, zero-emission vehicles.**

**Option involving the U.S. Diesel Emissions Reduction Act (DERA)."**

(Emphasis added.)

**III. GENERAL POSITION.** MPCA supports the equal taxing and equal regulating of any and all motor vehicles and motor fuels, including alternative motor fuels like electricity, hydrogen, propane, and natural gas (CNG and LNG). MPCA opposes public dollars being used to directly compete with private sector industries and private sector businesses.

**IV. POSITION ON THE “\$41 MILLION VW SETTLEMENT”.** The “\$41 Million VW Settlement” is public money that should not be used to fund whatever is part of the next generation of motor vehicles and motor fuels - including but not limited to natural gas (CNG and LNG), electric, hydrogen, propane, etc. - because it directly competes with more traditional and mature existing motor vehicles and motor fuel retailers such as gas stations and convenience stores that sell gasoline, diesel and ethanol blends.

MPCA members have spent hundreds of millions of their own dollars over multiple generations to ensure that Missourians have ready access to a wide variety of reasonably priced motor fuels and convenience items. This private sector investment has generated tens of thousands of jobs and hundreds of millions of local and state tax dollars – sales taxes, motor fuel taxes, tobacco taxes, property taxes, business taxes and fees, income taxes, etc.

For the State of Missouri to use public dollars to fund the direct private or public sector competitors of MPCA members is bad public policy that is fundamentally unfair, unwise, and counter-productive because these small businesses will thereafter generate less of the critical local and state tax revenues we all rely on.

The next generation of motor vehicles and motor fuels should be left up to the private sector and the free market, including supply and demand. The State of Missouri should not be involved in choosing and funding private sector winners and losers.

**V. WHAT DNR SHOULD DO WITH THE “\$41 MILLION VW SETTLEMENT”.** MPCA believes that the “\$41 Million VW Settlement” should be used to replace some of the state’s existing fleet of vehicles with new, cleaner burning gasoline and diesel vehicles.

In the alternative, the settlement money should be used to fund a public good that benefits all Missourians and that the State should actually be funding such as roads, schools, parks, prisons, highway patrol, etc.

Sincerely,

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