

December 10, 2017

Re: Public Comments on the Idaho Proposed Environmental Mitigation Trust program

The purpose of this letter is to provide Cummins' comments on Idaho's proposed Environmental Mitigation Trust program. We appreciate the opportunity to provide the Idaho Department of Environmental Quality with our suggestions on the most cost-effective methods to reduce NOx emissions in the state through the funding provided by the Volkswagen 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. Cummins Boise Idaho is a full service provider for all Cummins Inc products. Cummins is a partner with local clean air agencies, nonprofits, and customers to improve the communities where we live and work.

We believe the quickest and most effective manner for the state of Idaho to administer funds related to the VW settlement is to utilize the existing infrastructure related to the Diesel Emissions Reduction Act (DERA). DERA has a proven track record for helping communities remove older diesel engines and vehicles from local communities and replacing them with clean diesel and natural gas products with substantially lower emissions. Between 2008 and 2013, more than 73,000 older diesel vehicles and pieces of equipment were upgraded to the latest emissions standards under DERA. This resulted in the elimination of 335,000 tons of NOx. This program has been utilized around the country by public and private fleets to modernize their equipment and improve the air quality in the areas where they operate. DERA has enhanced the quality of life for millions of people, including hundreds of thousands of children who are travelling to and from schools on buses with the latest emissions reduction technology.

The VW settlement provides substantially more funding than the existing DERA program, which presents a significant opportunity for Idaho to get the most NOx reduction per dollar possible. This will allow the state to reduce the maximum number of existing older diesel engines resulting in the greatest impact on air quality. The latest generation of clean diesel and natural gas engines with state of the art exhaust treatment will provide the most cost-effective solution to achieving the NOx reduction goals of the settlement. These technologies are available now and can repower existing vehicles or be incorporated into new vehicles. Clean diesel and natural gas vehicles are also available in a wide range of on-highway and off-highway applications that meet or exceed the most stringent emissions requirements established by the U.S. EPA. More importantly, using the DERA grant program to leverage the VW settlement reduces the time necessary to educate partners and train. Providing the most impact. Cummins would like to lobby the Idaho Department of Environmental Quality decision makers to keep the settlement money open to all technologies; and not to favor one technology over another. This allows the state greater flexibility to meet the air quality needs of the diverse communities and diesel equipment operators. Taking the stance as "technology neutral" will also allow Idaho to analyze each application based on both merit and cost-effective use of the funds to reduce NOx emissions.

Thank you for the opportunity to comment, regarding Idaho's administration of the Environmental Mitigation Trust funds. We look forward to working with your team and hope that you'll use our experts as a resource for your continuing efforts to assess various technologies and options. Please feel free to contact me for additional data about our products, or seek information about our experience working with partners on the DERA program.

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