



STATE OF NEW YORK

GEORGE E. PATAKI
GOVERNOR

July 19, 2006

Dear Senate Majority Leader Bruno and Assembly Speaker Silver:

Enclosed for your review and approval is a proposed Memorandum of Understanding (MOU) for the Clean Water/Clean Air Bond Act (Bond Act) Air Quality appropriations that are subject to the MOU requirements established in Section 47 of Chapter 32 of the Laws of 1997. The MOU includes four million dollars (\$4,000,000) each in funding for State Clean-Fueled Vehicle Projects (Appendix A) and Clean-Fueled Buses Projects (Appendix B), and two million dollars (\$2,000,000) in funding for Other Air Quality Projects (Appendix C).

By allocating funds for these purposes, we will continue to improve air quality and take additional steps toward energy independence.

If you or your staff have any questions concerning this MOU or the programs to be funded, please contact Glen Bruening, in my office at 474-0411.

Very truly yours,

A handwritten signature in black ink that reads "G. E. Pataki".

Honorable Joseph L. Bruno
Senate Majority Leader
909 Legislative Office Building
Albany, New York 12247

Honorable Sheldon Silver
Speaker of the Assembly
932 Legislative Office Building
Albany, New York 12248

Enclosure



MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made by and between the GOVERNOR OF THE STATE OF NEW YORK and the undersigned LEGISLATIVE LEADERS.

WHEREAS, this MOU is entered into in order to identify projects ("Projects") eligible for funding from certain provisions of the Clean Water/Clean Air Bond Act of 1996 ("Bond Act") in accordance with the provisions set forth in Section 47 of Chapter 432 of the Laws of 1997; and

WHEREAS, this MOU is also intended to set forth the reporting requirements, agreed as necessary, relative to any such funded Projects;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, it is agreed as follows:

1. Appendix A to this MOU sets forth the Clean-Fueled Vehicle Projects which have been determined to be eligible for funding by the New York State Office of General Services ("OGS") and the New York State Department of Environmental Conservation ("DEC") concerning the expenditure of four million dollars (\$4,000,000) from State fiscal year 1997-1998 appropriations, or subsequent re-appropriations, for such projects pursuant to section 56-0603 of the Environmental Conservation Law ("ECL").
2. Appendix B to this MOU sets forth the Clean-Fueled Buses Projects which have been determined to be eligible for funding by the New York State Energy Research and Development Authority ("NYSERDA") and DEC concerning the expenditure of four million dollars (\$4,000,000) from State fiscal year 1997-1998 appropriations, or subsequent re-appropriations, for such projects pursuant to section 56-0605 of the ECL.
3. Appendix C to this MOU sets forth the Other Air Quality Projects which have been determined to be eligible for funding by DEC concerning the expenditure of two million dollars (\$2,000,000) from State fiscal year 1997-1998 appropriations, or subsequent re-appropriations, for such projects pursuant to section 56-0607 of the ECL.
4. If either or both of the Legislative Leaders request in writing, each respective administering agency shall provide to the Legislative Leaders, or their designees, copies of all written correspondence after the signing of this MOU relating to each Project funded by such appropriations or subsequent reappropriations; provided, however, that proprietary information may be withheld from such correspondence if the Legislative Leaders, or their designees, are given notice that such information has been withheld.
5. Each respective administering agency shall promptly respond to all inquiries by the undersigned Legislative Leaders, or their designees, regarding any Project listed in

Appendices A-C.

6. Each respective administering agency shall provide to the undersigned Legislative Leaders, or their designees, prompt and timely notice at least one week in advance of all public proceedings or announcements relating to Projects funded by such appropriations or subsequent reappropriations; provided that such proceeding is scheduled one week in advance, otherwise at the earliest time practicable. Such notice shall include an invitation to attend and participate in the proceedings or announcements.
7. This MOU, including Appendices A-C, may not be amended except by written agreement of the Governor and all of the undersigned Legislative Leaders.

This MOU shall become effective the day the third party to sign the MOU affixes his/her signature.

Joseph L. Bruno
President Pro Tem and
Majority Leader of the Senate

Date

Sheldon Silver
Speaker of the Assembly

Date

George E. Pataki
Governor

Date

Appendix A

Clean-Fueled Vehicle Projects

| Admin. Agency | Project | Description | Amount |
|----------------------|--|--|---------------|
| OGS | Ethanol Refueling Stations | Increase E85 (85% ethanol/15% gasoline) fueling infrastructure for the State's E85 fleet. | \$2,000,000 |
| OGS | Hydrogen Refueling Projects | Support capital costs associated with investigating the use of hydro-power to generate hydrogen for vehicle fueling. | \$1,000,000 |
| DEC | Alternative Fuel Vehicle Research Laboratory | Construct and operate the New York State Energy and Environment Research Laboratory to provide the equipment and technology needed to support the State's clean-fueled vehicle fleet and study the interrelationships between emerging engine and fuel technologies on motor vehicle emissions profiles and energy independence. | \$1,000,000 |

Appendix B

Clean-Fueled Buses Projects

| Admin. Agency | Project | Description | Amount |
|---------------|--|--|-------------|
| NYSERDA | School Bus Retrofit Program | Install new emission-reducing technologies for diesel engines on additional school buses to continue to retrofit the State's school bus fleet. | \$2,000,000 |
| DEC | Alternative Fuel Vehicle Research Laboratory | Construct and operate the New York State Energy and Environment Research Laboratory to provide the equipment and technology needed to support the State's clean-fueled bus program and validate emission reduction technologies employed by the Metropolitan Transportation Authority's (MTA) bus fleet. | \$2,000,000 |

Appendix C

Other Air Quality Projects

| Admin. Agency | Project | Description | Amount |
|----------------------|------------------------------------|---|---------------|
| DEC | Train Retrofit Program | Install retrofit technologies that reduce emissions from Metropolitan Transportation Authority (MTA) locomotives and evaluate performance and emission reduction benefits. | \$1,000,000 |
| DEC | Transit Bus Remote Sensing Program | Install emission-tracking remote sensors at the entrance of MTA bus terminals to evaluate bus performance and identify maintenance needs, focusing on communities that host a disproportionate level of bus traffic and maintenance/depot operations. | \$1,000,000 |