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Clerks' Office
California Air Resources Board
1001 I Street
Sacramento, California 95814

Re: Proposed Fiscal Year 2023-24 Funding Plan for Clean Transportation Incentives

Dear Members of the California Air Resources Board

Navistar, Inc. (Navistar) would like to thank the California Air Resources Board (CARB) for the opportunity to review and provide comments on the Proposed Fiscal Year 2023-24 Funding Plan for Clean Transportation Incentives (Funding Plan). This is an important undertaking that will support the deployment of zero emission vehicles.

Navistar is a leading commercial vehicle manufacturer and sells International® brand Class 4-8 commercial trucks, and IC Bus® (IC) brand school and commercial buses. The company is based in Lisle, Illinois and has more than 14,000 employees in its technical design centers, manufacturing and parts distributions facilities throughout North America. Navistar currently offers commercially available battery electric medium duty trucks and school buses. Navistar is committed to accelerating the impact of sustainable mobility the, with aspirational goals of 50% zero-emissions new vehicle sales by 2030 and 100% by 2040, charging infrastructure allowing it.

While the Funding Plan provides significant funding for school buses, third party contractors are ineligible to receive funding from the \$375 million Public School Bus Program. This is a significant flaw in the program as many school districts use contractors for school bus services. School districts that use contractors are subject to the same zero emission bus targets created by Assembly Bill 579 but would not be eligible for funding. Additionally, students in school districts that use contractor services would not receive the same environmental benefits as students in school districts that own their buses. This is an unfair, unintended consequence of the program.

Without funding for school bus contractors, the cost of purchasing and operating school buses will skyrocket and will ultimately be passed on to the school districts, which are continually underfunded.

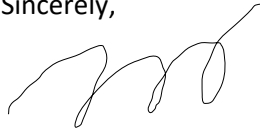
In addition to the eligibility issues, the programs also have requirements of concerns for contractors. Under the proposed HVIP program, private fleet operators can only receive vouchers after they have purchased 30 units with no vouchers. After that, the vouchers are reduced by more than 50% for contractors. Whereas public school districts have no restrictions on vouchers provided to them. In the end, this will result in higher costs to school districts that use contractors. School buses should be treated the same regardless of

ownership as they all serve the same students and reducing financial burdens on school districts should be at the forefront of the HVIP program. Additionally, contractors tend to have newer fleets than school districts. Requirements such as replacing 2007 model year or older buses simply does not work for many contractors as they do not own older buses.

Navistar recommends amending the Funding Plan to make contractors serving school districts eligible for funding. Navistar also recommends modifying the HVIP program to remove the voucher restrictions on contractors to be equal to those of school districts and to modify the 2007 model year replacement requirement.

Thank you again for the opportunity to comment and we look forward to working with the CARB on funding initiatives in the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Maggay', with a stylized flourish extending from the end.

Kevin Maggay
Government Relations