

*Santa Cruz Metropolitan
Transit District*



October 18, 2019

Mary Nichols, Chairwoman California Air
Resources Board 1001 I Street
Sacramento, CA 95814

RE: Maximize Investment in Zero-Emission Buses in FY 2019-20 Funding Plan for Clean Transportation Incentives

Chairwoman Nichols and Board Members:

On behalf of Santa Cruz Metropolitan Transit District (Santa Cruz METRO), I write to you today to respectfully urge you to maximize the state's investment in zero-emission buses (ZEBs) and supporting infrastructure. This investment, which should flow to public transit agencies through the proposed Advanced Technology Demonstration and Pilots Projects *and* the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, is critical to offsetting the high upfront cost of ZEB deployments. Increased funding will support Santa Cruz METRO's implementation of the Innovative Clean Transit (ICT) regulation while avoiding adverse impacts to our core transit service.

As you review our request, we ask that you consider that public transit is the only industry in the transportation sector that is **entirely** subsidized by the public. We also ask that you recall that you specifically selected our industry, despite chronic funding shortfalls and our primary role as mobility providers, to serve as the testing ground for zero-emission heavy-duty technologies by adopting the ICT regulation. The ICT regulation was adopted on the premise that the mass deployment of zero-emission bus will develop the components, supply chains, knowledge and experience necessary to electrify other heavy-duty industries. Santa Cruz METRO, like transit agencies across the state, has accepted this task and is working hard to implement the ICT regulation. Today, we have four ZEBs on order. We argue only that your decision to prioritize the electrification of our fleets requires ARB to also prioritize transit agencies when it comes to funding.

We voice concerns that transit agencies are ineligible for the \$40 million for Advanced Technology Demonstrations and Pilot Projects. Looking back to the justification for the ICT regulation, we urge you to consider setting aside a portion of this funding for a large-scale demonstration of zero-emission buses, inclusive of infrastructure buildout. A demonstration of this kind could serve as a roadmap for transit agencies statewide, which are still struggling through small-scale ZEB deployments and which will need to submit fleet transition plans, beginning as soon as 2021. We also urge you consider modifying several of the programmatic changes proposed for HVIP, with the goal of holding transit agencies harmless, regardless of the oversubscription of the program. More specifically, we recommend that ARB: establish a setaside for zero-emission buses, ensuring that transit agencies receive a minimum funding level from the program; retain the voucher enhancement for infrastructure be preserved for all transit agencies; and, exclude public fleets from the potential reduction of voucher amounts.

Santa Cruz METRO looks forward to continuing to work with you on the implementation of the ICT regulation. Thank you for considering our request.

Sincerely,

Barrow Emerson
Director, Planning & Development

cc: Virgil Welch, Senior Advisor, Office of the Chair Jack Kitowski,
Chief, Mobile Source Control Division
Lucina Negrete, Branch Chief, Mobile Source Control Division – Innovative Strategies Branch
Jason Crow, Mobile Source Control Division – Innovative Strategies Branch