

May 21, 2018

California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Approve VW Settlement's Investment in Zero-Emission Buses

Members of the California Air Resources Board:

On behalf of the California Transit Association, I write to you today to voice our support for your staff's proposal to invest \$130 million from the Volkswagen (VW) Settlement – Appendix D in zero-emission transit, school and shuttle buses. Additionally, we appreciate that your staff is also proposing to expand the eligible uses of funding from this allocation to include investments in infrastructure, a vital component of zero-emission bus deployments. These provisions, combined, come close to matching our request for funding from the Mitigation Trust Fund for zero-emission buses and supporting infrastructure, submitted to you on November 25, 2017, as well as the public comments our members made following the release of the Discussion Document.

As you know, the Association has been engaged with you on the issue of transit electrification for more than a decade. In recent years, as zero-emission technologies have become more commercial, and state and federal incentives have grown, transit agencies across California have begun to deploy zero-emission buses over more conventional alternatives. Just last year, the Legislature appropriated \$180 million for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, setting aside \$35 million from this total for zero-emission bus deployment, specifically. Today – *just six months after that funding came online* – nearly all of the \$35 million has been claimed by transit agencies, supporting the purchase of more than 200 zero-emission buses in the state. While these numbers are small relative to the size of the state's transit fleet, they add to the nearly 450 zero-emission buses that are in operations or on order in California; they demonstrate that now is the time to double down on funding for zero-emission buses to cement their long-term commercial viability. The proposed investment before you today will do exactly that.

In reviewing **and approving** the staff proposal, we hope you will consider the following:

- **Zero-Emission Buses Mitigate NOx Emissions:** On-road heavy duty vehicles, like buses, are the largest contributor to statewide NOx emissions, accounting for 33% of NOx emissions in California. Investment in zero-emission buses can reduce tailpipe NOx emissions by 100% from (0.20 g/bhp-hr to 0.00 g/bhp-hr).

- **Investment in Zero-Emission Buses is Consistent with State Priorities:** Investment in zero emission buses supports implementation of ARB's pending Innovative Clean Transit regulatory concept, which contemplates transitioning California's transit bus fleet to 100% zero-emission by 2040. In our advocacy around this issue, we have highlighted the importance of new funding for supporting the adoption of zero-emission buses.
- **Investment in Zero-Emission Buses Support Disadvantaged Communities:** SB 92 (Committee on Budget and Fiscal Review) [Chapter 26, Statutes of 2017] requires ARB, as the lead agency for the Mitigation Trust, to ensure at least 35 percent of its allocations benefit low-income or disadvantaged communities (DAC). Investment in zero-emission buses furthers this goal, because transit disproportionately serve low-income individuals and other "transit dependent" Californians. Additionally, the staff proposal will require that no less than 50% of funding from the settlement benefit disadvantaged or low-income communities.
- **Investment in Zero-Emission Buses Leverage Other Funding Opportunities:** The staff proposal will leverage state and federal formula funds; first-come/first-serve funding, like the Hybrid and Zero-Emission Voucher Incentive Project; and, competitive funding opportunities, like the Federal Transit Administration's Low or No Emission Vehicle Program and the California State Transportation Agency's Transit and Intercity Rail Capital Program.

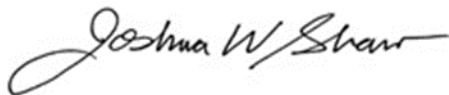
Finally, should you deem it appropriate to redirect any reserve funding from the Mitigation Trust, we would advocate that such funding go to zero-emission buses, given strong demand from transit agencies.

Be sure that, even with additional funding, there is still much work to be done before electrification of California's entire transit fleet is feasible. However, with staff's proposed investment in zero-emission buses and supporting infrastructure, the transit industry stands ready to make substantial progress toward your long-term objectives.

If you have any questions about our proposal, please contact Legislative and Regulatory Advocate Michael Pimentel at 916-446-4656 x1034 or michael@caltransit.org.

Thank you for this opportunity to comment.

Sincerely,



Joshua W. Shaw
Executive Director

cc: Richard Corey, Executive Officer, California Air Resources Board
Steve Cliff, Deputy Executive Officer, California Air Resources Board
Jack Kitowski, Chief, Mobile Source Control Division, California Air Resources Board
Lisa Williams, California Air Resources Board
Alice Reynolds, Senior Advisor, Office of the Governor