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September 21, 2018

Ms. Mary D. Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**RE: Initial Statement of Reason for the Proposed Innovative Clean Transit Regulation**

Dear Chair Nichols and Members of the California Air Resources Board:

On behalf of the San Mateo County Transit District (District), I submit the following comments in response to the “Initial Statement of Reason for the Proposed Innovative Clean Transit Regulation.” The District operates SamTrans, San Mateo County’s bus and paratransit service, and strongly supports policies that will shift the California bus fleets to zero-emission buses (ZEBs). We appreciate that, following the release of the “Update on Innovative Clean Transit Discussion Document,” the California Air Resources Board (ARB) staff amended the proposed regulation to better address the very real challenges of zero-emission bus operations. New provisions, which require the development of a ZEB rollout plan, postpone the imposition of the ZEB purchase requirement, and exempt non-standard buses from the regulation until 2026, align with several of the recommendations we made to you in our May 29, 2018 letter. While this progress is substantial, the proposed regulation requires the inclusion several safeguard provisions that will better ensure this ambitious endeavor does not compromise essential transit service.

The District is in the initial stages of converting our bus fleet from diesel to 100% battery-electric. We have received grant funding for a pilot of 10 battery-electric buses and associated infrastructure, and are beginning the lengthy process of developing a fleet transition plan that will not impair our service or create undue financial hardship for our agency. As we develop this plan, we are confronted with the reality that, despite our reliance on the best available information, we cannot eliminate all risks associated with our transition. The reasons for this are simple: not a single transit agency in the country has expanded their battery-electric fleet beyond the pilot phase; and, the development of battery-electric technology and associated infrastructure are subject to forces outside the control of our agency, and even, the state. This means that we do not yet know what battery-electric buses will cost to procure and operate, or how they will perform, at scale.

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We cannot overstate the infrastructure hurdles we, and other transit agencies, face in the process of converting our fleet to 100% electric. Before we are able to undertake large scale vehicle replacements we must both plan for and install a different infrastructure to support and operate ZEBs. This process will be time consuming. Not only will the District need time for vehicle purchase and manufacturing, but we will also need time to process contracts for engineering, construction, and the bus infrastructure.

As this process develops we do not yet know how environmental approvals, engineering advances, construction and funding sources overseen by external stakeholders, will unfold over the long-term. To manage these risks, the District will use the data collected from our pilot, observe other transit agencies to update our assumptions, modify our plan, and ultimately deliver on our commitment to a 100% battery-electric bus fleet. It is critical that our investment in cleaner vehicle technology does not inadvertently harm the transit service we provide to our community. Of particular concern are the inadequate funding sources for infrastructure development available and our Agency's own limited funds. In order to achieve the goal of conversion in a fiscally responsible way we must be methodical and thoughtful, especially as it relates to the infrastructure we install.

In communicating these risks and our approach to managing them, we align ourselves with the comments submitted to you by the California Transit Association at various points in this regulatory proceeding. The Association has voiced concerns about the cost and performance of ZEBs, the uncertainty surrounding funding availability, and the challenges of infrastructure buildout. We, therefore, support several of their long-standing recommendations, which are not yet reflected in the proposed regulation.

First, we support including language in the proposed regulation itself, which requires ARB to establish benchmarks for ZEB cost and performance and to institute a technology assessment, based on real world data, that guarantees that transit agencies are only charged with accelerating their adoption of these technologies, if they meet the benchmarks set by the state. Currently, the staff report that accompanies the proposed regulation commits ARB to collecting real world data on ZEB cost and performance, but it does not reveal how this data will be evaluated or what steps ARB would take if this data contradicts the dominant narrative that ZEB cost and performance will reach parity with conventional technologies.

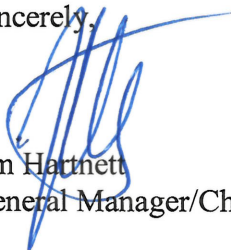
We also fully support the Association's recommendation to relax limitations on incentive funding, which currently require these dollars to be used for ZEB purchases that exceed regulatory requirements. Given the complicated nature of converting to a fully electrified fleet, it is essential that incentive funding is available to transit agencies whenever they are ready to purchase a ZEB or make investments in infrastructure.

Together, these recommendations allow transit agencies to manage the risk of the transition to zero-emission bus technologies while providing encouragement to the original equipment manufacturers to continue to innovate.

Our Agency operates in the real world replete with both unanticipated problems and opportunities. We are extremely optimistic about our plan to convert our fleet to 100% ZEBs but we are realistic about our need to be flexible as we go. In that vein, we hope to see language in the regulations that allow ARB to temporarily halt and reassess requirements placed on agencies if those requirements are not working from a practical perspective. We ask that ARB have the ability to halt the process on a macro level but also for an individual agency, creating both off-ramps and on-ramps, if that agency faces significant issues such as funding not being available or inadequate.

The District thanks you for this opportunity to weigh in on this rule. Please feel free to contact Casey Fromson, Director of Government and Community Affairs at (650) 508-6493 or via email at [fromsonc@samtrans.com](mailto:fromsonc@samtrans.com) if you need any additional information.

Sincerely,



Jim Hattnett  
General Manager/Chief Executive Officer

cc: San Mateo County Transit District Board of Directors  
San Mateo County Transit District State Legislative Delegation