



September 24, 2018

California Air Resources Board
Chair Nichols and Members of the Board
1001 I Street, Suite
Sacramento, CA 95814

RE: **Response to the Initial Statement of Reasons for the Proposed Innovative Clean Transit Regulation**

Chair Nichols and Members of the California Air Resources Board:

On behalf of Golden Gate Bridge, Highway and Transportation District (GGBHTD/ "District"), I submit the following comments in response to the Initial Statement of Reasons for the Proposed Innovative Clean Transit (ICT) Regulation. As the District has stated in an earlier letter to California Air Resources Board (CARB) staff, dated May 29, 2018, we respect and appreciate your Agency's efforts to achieve its goal of a "long-term attainment of a zero-emission transit fleet in California." This is a very important goal, and Golden Gate Transit (GGT), which is the bus transit division of the GGBHTD, would like to start taking measured steps to support it.

GGT provides regional transit service in four counties, which include Sonoma, Marin, San Francisco, and Contra Costa Counties. Our primary charge is to connect citizens along the Highway 101 corridor to key, regional employment, transportation, medical and educational centers throughout the North Bay and San Francisco, as well as to BART in Contra Costa County. To cover this extensive service area, our buses can travel up to 400 miles on one fueling.

Given that most of our riders are Marin and Sonoma residents, who have the resources to drive to work, but choose to take GGT because of its reliability, convenience and comfort, it is critical that we utilize vehicles, which can reliably deliver the services they demand at a comfort level that meets their requirements. To address these demands half of GGT's fleet of nearly 200 vehicles consists of over-the-road coaches produced by MCI. These vehicles seat up to 57 passengers and meet our operational requirement of 400 miles on a single fueling. They are also much smoother and more comfortable than our standard 40-foot urban buses, which seat up to 41 passengers, during long freeway trips between counties.

As currently drafted, the proposed regulation improves on the Draft Regulatory Concept for the Proposed Innovative Clean Transit Regulation, released December 2017. Improvements to the proposed regulation reflect ongoing discussions between CARB staff and the leadership of the California Transit Association. While the progress made on the proposed regulation is substantial, we remain concerned that the imposition of the zero-emission bus (ZEB) purchase requirement is not tied to benchmarks for ZEB cost and performance, infrastructure buildout costs, and funding availability. Moreover, we see significant risks in assuming, as CARB staff has, that data gathered from limited, short-term ZEB deployments will accurately reflect the realities of ZEB deployments at-scale. We assert that, despite the claims of some interest groups, ZEB cost and performance, infrastructure buildout, and the cost of electricity as fuel, are still issues that must be worked through.

As you move to finalize the proposed regulation, the GGBHTD believes that you should be guided by one question: “What will happen to transit agencies facing a ZEB purchase requirement, and the riders who rely on our service, if the assertions made by CARB staff and interest groups are wrong, and the cost and difficulty of the transition more closely align with the warnings of California’s public transit agencies?” To help navigate this question, the California Transit Association has offered you a series of recommendations designed to manage the risks associated with pursuing the laudable goal of cleaner air for all Californians.

We urge you to adopt these recommendations in full, and emphasize the importance of the following two provisions:

- **Benchmarking and Regulatory Assessment:** This provision would require the California Air Resources Board to conduct a regulatory assessment – *before* a ZEB purchase requirement goes into effect – that evaluates real-world ZEB cost and performance with benchmarks for ZEB cost and performance established at the time of rule adoption. This regulatory assessment should allow the Board to issue an across-the-board suspension of the ZEB purchase requirement, much like the original Transit Fleet Rule did, if real-world ZEB cost and performance is not yet at parity with the cost and performance of conventionally-fueled transit buses. This provision would have no impact on the ZEB purchase requirement, if benchmarks for ZEB cost and performance are being met, as anticipated by ARB staff and interest groups.
- **Incentives:** The staff report supporting the proposed regulation emphasizes the importance of incentive funding to minimizing adverse impacts to transit service (see Initial Statement of Reasons, pages ES-8, III-8, VIII-26). Given the stated importance of this funding and our shared goal of protecting vital transit service, this provision would require ARB to revise its current policy disallowing the use of incentive funding to meet regulatory compliance to explicitly allow transit agencies to use incentive funding whenever they are prepared to purchase a ZEB.

Only by amending the proposed regulation to include the California Transit Association’s recommendations, will you protect California’s transit agencies and the riders who rely on our service from the risks associated with this transition. We greatly appreciate your continued commitment to working with the California Transit Association to get this proposed regulation right.

If you have any questions or comments, please feel free to contact me at 415-923-2203, or contact Mona Babauta, Deputy General Manager, Bus Division (Golden Gate Transit), at 415-257-4467 or Mbabauta@goldengate.org.

Sincerely,



Denis J. Mulligan
General Manager

cc: Richard Corey, Executive Officer, California Air Resources Board
Steve Cliff, Deputy Executive Officer, California Air Resources Board
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