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Metropolitan Transportation Commission

Comments on Proposed Revisions to Zero Emission Bus Regulation

California Air Resources Board Meeting – San Diego, 7/23/09

MTC is the transportation planning, coordinating and financing agency for the nine-county San Francisco Bay Area. We provide the majority of the funding that Bay Area transit operators use to purchase buses, including the ZEBs in the Bay Area advanced demonstration project.

Thank you opportunity to comment on the Zero Emission Bus regulation. MTC strongly supports the goals of the regulation to reduce emissions, including greenhouse gases, and help the state address global warming.

The region's 25-year transportation plan places a strong emphasis on climate change, including support for smart growth, transit maintenance and expansion, non-motorized transportation, and specific climate change initiatives.

MTC also supports the staff recommendation to amend the regulation to defer the purchase requirement and establish performance measures as triggers for future implementation of the purchase requirement.

The proposal to defer the purchase requirement recognizes the reality that ZEBs are still too costly for large-scale implementation, especially at a time when transit budgets are under enormous stress due to the recession and state budget cuts.

In the Bay Area, the decline in sales tax revenues and the elimination of State Transit Assistance will translate into a nearly 10 percent reduction of available operating revenue for the current fiscal year. These reductions are necessitating service-level cutbacks or fare increases for a majority of the region's transit operators.

On the capital side, we project a \$17 billion shortfall in meeting capital replacement and rehabilitation needs over the next 25 years.

The Bay Area demonstration project is currently projected to cost \$49 million, and the majority of the funding devoted to the project has come from sources that otherwise would have been used for other critical capital replacement needs.

Implementing the purchase requirement in this fiscal environment would place additional hardship on transit operators at a time when we should be supporting transit as part of a solution to climate change and congestion.

Deferring the purchase requirement would allow time for the Bay Area's advanced demonstration project to be implemented, supporting the development of the technology to commercial viability, and providing the data needed to evaluate whether ZEBs can meet the performance, reliability and durability needs of transit service.

Deferring the purchase requirement to 2015 would also allow sufficient time for operators to procure ZEBs and develop the required hydrogen fueling and maintenance facilities, which is proving to be the most challenging aspect of the advanced demonstration project.

We also support the concept of cost and performance thresholds that would serve as triggers for future implementation of the purchase requirement, and look forward to working with your staff to revise and update the measures that were proposed when the regulation was revisited in 2006.

The cost measures, in addition to the purchase cost of the ZEBs, should take into account operating and maintenance costs, and the costs of developing necessary fueling and maintenance infrastructure.

If mitigation measures are imposed to offset the impact of deferring the purchase requirement, those measures should take into account the fiscal condition of transit operators and their ability to implement mitigation without compromising other operating and capital needs.

MTC supports the development of a transit GHG emissions regulation that encourages a variety of approaches to meeting the state's climate change goals, including investments in transit that increase ridership, leading to reduced GHG emissions from other transportation modes.

We want to thank your staff for working collaboratively with the transit industry to implement the current ZEB regulation, and we look forward to continue working with them to develop proposed revisions to the regulations that help the state meet its climate change goals while recognizing the fiscal realities of transit in California today.