

May 5, 2021

The Honorable Sherrod Brown, Chair
Committee on Banking, Housing, and Urban Affairs
United States Senate
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patrick Toomey, Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Peter A. DeFazio, Chair
Committee on Transportation and Infrastructure
United States House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Sam Graves, Ranking Member
Committee on Transportation and Infrastructure
United States House of Representatives
2164 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen Brown and DeFazio and Ranking Members Toomey and Graves:

On behalf of the members of the California Transit Association, I write to you today to express our support for the American Jobs Plan.

The American Jobs Plan, much like H.R. 2, advances a bold vision for the country's infrastructure that is furthered, in part, by an unprecedented, proposed level of federal investment in mass transportation. The \$165 billion the Plan would invest in public transportation and rail systems over the next eight years is a welcome supplement to the investments made by Congress in these modes annually—as well as California's myriad state and local investments in transit—to bring public transportation and rail assets into a state of good repair and to expand access to affordable, frequent, and efficient transit service.

We look forward to engaging with you in the weeks ahead on the specifics of the Plan, as they are released by Congress, and strongly encourage you to consider the following priorities as you draft bill language to fund transportation infrastructure through a standalone infrastructure plan or reauthorization bill.

Core Transit Programs: We urge Congress to use the core transit funding levels included in H.R. 2 as the baseline for investment in core transit funding programs, while seeking to maximize funding for these programs. These programs are the lifeblood of public transit agencies across the country and are vital to replacing aging fleets, modernizing our transit assets, and delivering jobs benefits to workers in construction, transit manufacturing and maintenance. These programs also fund transit operations in rural areas of the country, allowing transit to play a critical role in access to jobs, education, and health care, and maintaining transit's workforce.

Core Rail Programs: We urge Congress to use the rail funding levels included in H.R. 2 as the baseline for investment in core rail programs, while seeking to maximize funding for these programs.

Funding for these programs should be additive to the funding provided to core transit programs to ensure that the nation's transit and rail agencies can advance a full suite of clean mobility options without disadvantaging any one mode or community. Moreover, we encourage Congress to ensure that Amtrak, intercity passenger rail, and commuter rail agencies are all eligible for funding in core rail programs.

Capital Investment Grant Program: While the American Jobs Plan does not specifically identify new funding for the Capital Investment Grant Program, we encourage Congress to include significant new funding for CIG program in any infrastructure bill, using H.R. 2 as a baseline for investment, while seeking to maximize funding for the program. We also specifically support increasing the federal cost share to 80 percent and raising the caps for small starts projects to \$320 million for federal cost and \$400 million for total cost.

Zero-Emission Bus Grant Program: We support the creation of a strong national program to fund the transition to zero-emission buses across the country and urge Congress to use the American Jobs Plan as the baseline for investment, while seeking to maximize funding for the program. Importantly, the program should help fund the replacement of existing fleets regardless of fuel technology currently in use; support a technology-neutral approach to the transition to zero-emission buses; provide grants for charging and refueling zero-emission infrastructure; and reward transit agencies that have made commitments to transition to fully zero-emission fleets and/or that have completed full fleet transition plans with preferential scoring for grant awards.* Such a program, which would build on the successes of the various state-level programs we have helped develop in California, would support California's transit agencies in expeditiously transitioning our entire 12,000 bus fleet to zero-emission technologies while also incentivizing transit agencies across the country to take aggressive steps to accelerate zero-emission bus deployment.

* A more complete list of recommendations is included in our *"Support Zero-Emission Buses in the American Jobs Plan"* white paper.

Resiliency: We urge Congress to provide significant new funding to prevent, reduce, and withstand the impacts of the natural disasters and climate crisis on our nation's transit and rail infrastructure. This funding is vital as California grapples with wildfires, mudslides, earthquakes, and the threat of sea-level rise caused by climate change. We encourage Congress to ensure that eligible project types include investments to harden transit and rail infrastructure against these events as well as infrastructure solutions to create redundancies to the electricity grid that would allow transit and rail agencies to continue to operate zero-emission vehicles when/if the grid is compromised. Investments in redundancies to the electricity grid may also have co-benefits that reduce the cost of electricity as a fuel.

Grade Crossings and Separations: Investment in grade crossing improvements and grade separations are an essential priority for the communities with rail service, helping improve the safety of surrounding areas and overall service. We urge Congress to provide new funding to support the design and delivery of these projects.

Transit-Oriented Development: We encourage Congress to maintain and expand federal funding and financial tools to encourage transit-oriented development projects and housing near public transit, including for affordable housing projects. We also support the streamlining of existing programs to better facilitate the construction of such projects.

Financing: We encourage Congress to expand and streamline the financing tools available to transit and rail agencies, including America Fast Forward Transportation Bonds and Transportation Infrastructure Finance and Innovation Act, including the Rural Project Initiative, to augment direct investment in the nation's transportation infrastructure. We also support the reinstatement of Advance Refunding of Bonds, allowing state and local governments to realize savings on debt service. Finally, we support creating flexibility in the Railroad Rehabilitation and Improvement Financing program to allow for easier utilization by transit agencies.

Additional Considerations: We encourage Congress to provide new funding to pilot and study reduced and fare free transit. Additionally, as Congress continues to advance zero-emission transportation technologies, we request that Congress provide funding to support the deployment of zero-emission locomotive and ferry technologies.

Again, we look forward to continuing to engage with you on the Plan as it moves through the legislative process. If you have any questions regarding our priorities, please contact me at 916-446-4656 x1034 or via email at michael@caltransit.org.

Sincerely,



Michael Pimentel
Executive Director

cc: California's Congressional Delegation
The Honorable Gavin Newsom, Governor, State of California
The Honorable Maria Cantwell, Chair, Committee on Commerce, Science & Transportation, United States Senate
The Honorable Roger Wicker, Ranking Member, Committee on Commerce, Science & Transportation, United States Senate
Nuria I. Fernandez, Deputy Administrator, Federal Transit Administration
Amit Bose, Deputy Administrator, Federal Railroad Administration
David Kim, Secretary, California State Transportation Agency
Mitch Weiss, Executive Director, California Transportation Commission
Toks Omishakin, Director, California Department of Transportation
Members, Executive Committee, California Transit Association
Members, Federal Legislative Committee, California Transit Association



Support Zero-Emission Buses in the American Jobs Plan

On March 31, President Biden unveiled the framework of the *American Jobs Plan*, a historic and transformational infrastructure plan, which seeks to tackle the climate crisis with significant new investments in surface transportation and the nation's electric grid, among other physical assets, over eight years. We strongly support that the *American Jobs Plan* strengthens mass transportation by proposing to double federal funding for public transit and quadruple federal funding for rail. We also strongly support that the *American Jobs Plan* puts a downpayment on transitioning our nation's bus and car fleets to zero-emission technologies.

As the national leaders in the development and deployment of zero-emission buses, California's transit agencies urge Congress to build on the *American Jobs Plan* framework and the bold commitments made in H.R. 2 to ensure that an infrastructure bill supports California's transit agencies in expeditiously transitioning our entire 12,000 bus fleet to zero-emission technologies while also incentivizing transit agencies across the country to take aggressive steps to accelerate zero-emission bus deployment.

As the *American Jobs Plan* moves forward, the California Transit Association encourages Congress to:

- Provide preferential project scoring to transit agencies that are required, by state law or regulation, local ordinance, or board direction, to transition to fully zero-emission fleets or that have completed full fleet transition plans in all programs that provide zero-emission bus grants;
- Ensure zero-emission bus grants are available to transit agencies for the replacement of clean natural gas buses and guarantee that transit agencies are not disadvantaged in project scoring for their leadership in advancing the then-best available control technology;
- Provide zero-emission bus grants to vehicle types that support high-capacity and demand response service, like articulated buses and cutaways;
- Provide grants for charging and refueling infrastructure necessary to deploy zero-emission buses;
- Permanently reinstate the Alternative Fuel Tax Credit, support extending the credit to include electricity and hydrogen as an eligible alternative transportation fuel, and allow agencies to draw credits for multiple fuel types. This change would ensure that the Alternative Fuel Tax Credit provides incentives for zero-emission buses equivalent or comparable to the alternative fuels tax credit currently available for compressed and liquefied natural gas; and,
- Provide a manufacturers tax credit for zero-emission buses that requires credits to be passed through to transit agencies as cost savings to reduce the upfront cost of zero-emission buses and augment direct federal investment.

These recommendations are included in the Association's [2021 Federal Legislative Program](#).

Background: California transit agencies first deployed battery electric buses and fuel-cell electric buses in 1991 and 2001, respectively. California has also fostered robust California-based manufacturing of zero-emission buses.

In December 2018, the California Air Resources Board adopted the Innovative Clean Transit regulation. The regulation – the first of its kind in the nation – requires California transit agencies to begin to purchase ZEBs as soon as 2023, with the goal of transitioning all transit buses in the state to zero-emission technologies by 2040. While this goal is ambitious, several transit agencies in our state have adopted even more aggressive goals, including Long Beach Transit (2030), Los Angeles County Metropolitan Transportation Authority (2030), Los Angeles Department of Transportation (2030), Foothill Transit (2030), Santa Barbara Metropolitan Transit District (2030), and San Francisco Municipal Transportation Agency (2035). Many of these transit agencies, like agencies across California, are already operating clean natural gas buses, but have elected to take on the additional costs and risks associated with deploying emergent zero-emission technologies to the benefit of the national transit industry and broader transportation sector. When fully realized, California’s transition to zero-emission buses alone will reduce GHG emissions by 19 million metric tons of carbon dioxide equivalent (MMT CO₂e) from 2020 to 2050. For tailpipe NO_x and PM_{2.5}, the transition is expected to result in an estimated 7,032 tons and 39.4 tons emission reductions. As of the end of calendar year 2020, California’s transit agencies have on order or in operations approximately 800 zero-emission buses.

Through our vast experience operating zero-emission buses, our long history developing state funding programs to support their deployment, and our success in helping to create a new manufacturing base, California transit agencies have specialized knowledge that can support the creation of a strong national program to incentivize the transition to zero-emission buses across the country. In short, we know that cost is the primary impediment to a more aggressive transition – the costs of purchasing ZEBs, building the infrastructure necessary to deploy them, and procuring electricity to operate them, exceed the costs of purchasing and deploying conventionally-fueled vehicles. These costs, which cannot be addressed through state or local support alone, not only threaten to undermine the implementation of California’s ICT regulation, but actively stand in the way of agencies – in California and elsewhere in the nation – taking elective steps to more aggressively accelerate their deployment of zero-emission buses. By providing increased federal support for zero-emission buses, and targeting these investments at agencies that are required, or that have made commitments to, transition their entire bus fleets to zero-emission technologies, Congress will catalyze interest in these technologies and help prove the viability of zero-emission bus deployment at-scale. Congress will also help develop lessons learned, which could be shared more broadly with the transit industry and transportation sector, hastening the transition to carbon-free mobility and goods movement.

For questions about these recommendations, please contact Association Executive Director Michael Pimentel at michael@caltransit.org or 916-446-4656 x1034.

The California Transit Association is a 501(c)(6) non-profit trade organization comprised of more than 250 member organizations, including all of the state’s largest urban transit operators, as well as dozens of transit agencies in suburban and rural areas. Its membership also extends to include commuter rail agencies, transit support groups, national and international transit suppliers, and government agencies. The Association is the leading advocate on behalf of public transit in California, representing transit’s interests before the California State Legislature, the Governor and regulatory agencies on the local, state and federal levels.