



# 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 HR 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](#).

**Additional recommendations will follow in the coming weeks.**

**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 CO<sub>2</sub>e) from 2020 to 2050. For tailpipe NO<sub>x</sub> and PM<sub>2.5</sub>, 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](mailto: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.*