



March 17, 2021

The Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Phil Ting, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Bob Wieckowski, Chair
Senate Budget and Fiscal Review –
Subcommittee No. 2
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Richard Bloom, Chair
Assembly Budget Committee –
Subcommittee No. 3
State Capitol, Room 5019
Sacramento, CA 95814

RE: Support Zero-Emission Bus Deployment by California's Transit Agencies

Chairs Skinner, Wieckowski, Ting, and Bloom:

On behalf of the California Transit Association, I write to you today to urge you to advance the Administration's proposed \$1.5 billion investment in zero-emission vehicles and charging/refueling infrastructure, which includes \$315 million for zero-emission trucks, buses and off-road freight. **Within the \$315 million proposed for vehicle incentives, we urge you to create a funding set-aside of at least \$80 million for the deployment of zero-emission buses by transit agencies, specifically.**

As you consider our request, we wish to highlight that the transportation sector is responsible for 38% of the greenhouse gas (GHG) emissions in the state. These emissions contribute not only to climate change, but to air quality challenges. By continuing to invest in zero-emission trucks, buses and off-road freight and charging/refueling infrastructure, you will help transit agencies across the state retire conventionally fueled buses and purchase new zero-emission buses that offer zero tailpipe emissions and improve local air quality. This funding is critical to transit agencies as they continue to take early actions to meet the goals of the California Air Resources Board's Innovative Clean Transit (ICT) regulation. The ICT regulation requires transit agencies to begin to purchase zero-emission buses as soon as 2023, with the goal of transitioning all transit buses in California to zero-emission technologies by 2040. We believe it is essential that this funding be approved this year if transit agencies are to continue to deploy zero-emission buses as they weather the devastating financial impacts of the COVID-19 pandemic. This funding is also vital, because the Legislature postponed action on the state's Cap and Trade expenditure plan last year, which left key funding programs, like the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), without the resources necessary to continue to invest in zero-emission transportation projects.

In urging your support for the Administration's proposed \$1.5 billion investment in zero-emission vehicles and charging/refueling infrastructure, we must also communicate that California's transit agencies are subject to rigid and protracted procurement processes, which often make it difficult for them to capture

funding from HVIP, which is structured as a first-come/first-serve voucher program. We, therefore, request that you create a funding set-aside of *at least* \$80 million for zero-emission transit buses within the \$315 million investment for zero-emission trucks, buses and off-road freight. **Based on the average voucher amount, we project that establishing a funding floor for zero-emission buses of \$80 million would support the deployment of approximately 400 zero-emission buses. This level of funding would help us meet ARB's goal of having purchased and/or deployed 1,250 zero-emission transit buses by the end of calendar 2021.**

Finally, due to the strong presence of bus manufacturers in California, enhanced investment in zero-emission buses delivers economic co-benefits that will directly support our state's recovery from the pandemic and cement our state's preeminence on the manufacturing of clean vehicle technologies. Studies show that increased investment in public transportation spurs the economy as a consequence of both the short-term stimulus and the longer-term, cumulative impact on economic productivity. The American Public Transportation Association finds that, over a 20-year period, \$1 billion in investment in public transportation yields approximately \$3.7 billion in increased economic activity. At current wage rates, this is equivalent to a ratio of approximately 50,731 jobs per \$1 billion invested in public transportation. These jobs numbers include "direct" jobs in operations and the manufacturing of transit buses, rail cars, parts and materials. Finally, these jobs numbers include "induced" jobs supported by consumer spending of workers' wages, the so-called "multiplier effect" of investment.

Thank you for considering our request.

Sincerely,



Michael Pimentel
Executive Director

cc: Members and Staff, Senate Budget and Fiscal Review Committee
Members and Staff, Assembly Budget Committee
Office of Governor Gavin Newsom
Board Members and Staff, California Air Resources Board
Commissioners and Staff, California Energy Commission