

Monday, October 23, 2023

Administrator Nuria Fernandez
Federal Transit Administration
1200 New Jersey Avenue, SE
Washington, DC 20590

Secretary Pete Buttigieg
Office of the Secretary
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Buttigieg and Administrator Fernandez,

The country has seen a much needed influx of funding from the federal government in order to update our aging infrastructure, combat climate change, and address the inequities that many communities face in our country. With the passage of the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) we have seen investments in public transit and new programs being implemented. Despite these investments and new federal programs there has been a clear trend of public transit bus manufacturers exiting or failing to be profitable in the American market, especially at a time when we need more zero-emission buses on the road.

As a coalition of electric vehicle (EV) advocates, environmental and science non-profits, grassroots advocates, diversity, equity, and inclusion (DEI) advocates, a clean technology consortium, and environmental, climate, and social justice advocates we view electrification of our transportation sector alongside a transportation mode-shift as key routes to reducing our greenhouse gas emissions and fulfilling the Biden Administration's ambitious climate and equity goals. **With the number of manufacturers building our zero-emission transit buses dwindling, we urge the FTA to pursue three key reforms we believe will assist in growing our zero-emission public transit system:**

- **Reasonable limits on the customization of transit vehicles**
- **Procurement reform**
- **Ensuring FTA funding guarantees expeditious deployments**

One of the issues manufacturers are facing involves the incremental costs associated with customization requested by transit agencies, which have grown substantially over the last few decades. We do not see similar runaway costs in other bus rolling stock funding programs such as the Clean School Bus Program and the Federal Aviation Administration's Zero Emission Vehicle programs. Additionally, the custom specifications of highly specific customized parts not only runs up these incremental costs but have caused increasing demands on the part of manufacturers due to supply-chain disruptions. The added pressure of customized parts and supply-chain delays is causing a transit bus shortage and a delay on getting zero-emission buses on the road for transit riders.

Another issue with zero-emission transit bus funding programs that has emerged is a delay in payment to the transit agency and the manufacturer. Other bus programs, such as EPA's Clean School Bus Program require the vehicle to be on the road within 2 years after award, while FTA's funding programs, including

the Low or No Emissions Vehicle Program, allow up to 7 years for funds to be spent. At a typical lead time of 12-16 months for a vehicle to be built, the dollars that are awarded today are worth far less in the 8-9 years when the bus is actually paid for. Procurement reform is one solution to ensure equal risk between manufacturers and transit agencies. By ensuring transit agencies that are awarded grant funding provide a deposit down, manufacturers could proceed with construction in a timely manner. Incorporating a deadline for a minimum deposit outlay, such as within one year, could also reduce financing complications for transit bus manufacturers, who may otherwise wait up to 7 years before seeing revenue from purchase orders.

With impending transit fiscal cliffs and the need to shift America's mode of transportation with reliable and frequent bus service, the FTA should increase its oversight over programs to get zero-emission transit buses out quicker and the federal funding into the hands of transit agencies on a timeline similar to other bus programs. A possible solution to customization oversight would include requiring agencies to carry out bus procurements based on performance-based specifications. We understand the need for branding and safety considerations in order to clearly define bus routes and service for a seamless ridership experience. FTA should require that the transit agency cover any additional customization (beyond a defined baseline standard) with a non-federal contribution by the transit agencies. This would help to alleviate pressure on the manufacturers to keep highly customized parts on hand and get zero-emission buses assembled and on the road for riders at a quicker pace.

Barriers to the rollout of transit, particularly zero emission transit, undermine climate and equity goals put forward by the Administration to protect disproportionately affected communities. Environmental Justice communities, low-income communities, and communities of color have historically been those closest to and most disproportionately harmed by diesel bus depots and would be among those whose health would benefit the most from the expedited deployment of zero emission transit.¹ Increasing the viability of zero emission, high-frequency transit in existing program design would directly address the mission of the Administration's Justice40 initiative. By ensuring federal funding gets more zero-emission buses on the road we can protect those communities that have been left behind and assist in reaching the climate and equity goals for the country.

¹ Arter et al., Mortality-Based Damages per Ton Due to the On-Road Mobile Sector in the Northeast and Mid-Atlantic U.S. by Region, Vehicle Class and Precursor, 16 *Envtl. Res. Ltrs.* (2021), <https://iopscience.iop.org/article/10.1088/1748-9326/abf60b>.

Sincerely,

CALSTART
CASA/CASA in Action
Central Maryland Transportation Alliance
Chispa AZ
Clean Energy Works
Coalition for Smarter Growth
EarthJustice
East Metro Strong
Electrification Coalition
Enel North America
Environmental Defense Fund
Evergreen Action
Forth
GreenLatinos
International Parking and Mobility Institute
Labor Network for Sustainability
League of Conservation Voters (LCV)
Madison Area Bus Advocates
Mobilify Southwestern Pennsylvania
Moms Clean Air Force
Move Minnesota
Move Redmond
Natural Resources Defense Council (NRDC)
New Jersey Future
New Urban Mobility Alliance (NUMO)
One Fair Wage (OFW)
PA Jewish Earth Alliance
PA Solar & Storage Industries Association
Philadelphia Solar Energy Association
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Plug In America
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Sierra Club
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Sustainable Pittsburgh
TerraVolta Resources
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Transportation for America
Tri-State Transportation Campaign
Union of Concerned Scientists
Zero Emission Transportation Association (ZETA)