

January 31, 2022

Karl Simon
Director, Transportation and Climate Division
Office of Transportation and Air Quality
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re: Clean School Bus Program

Dear Director Simon:

On behalf of the Alliance for Electric School Buses (AESB), we write to share our recommendations for the design and implementation of the Clean School Bus Program. We recognize that this program is a priority for the EPA, and that the Agency is committed to a thorough stakeholder process while also getting the program running quickly. This letter serves as a more detailed follow-up to the letter we sent to the EPA on November 30, 2021, and to the meeting we had with you on January 24, 2022. We greatly appreciate your time and consideration.

Our Alliance is a diverse partnership of organizations committed to the electrification of school buses and an equitable transition to clean energy. The AESB was established in 2017 and works with local community members and stakeholders to transition from dirty diesel to zero-emission, electric school buses (ESBs), prioritizing communities most harmed by air pollution. AESB members have organized thousands of families and school districts across the country through educational workshops, petition collections, electric school bus demonstrations and tours, marches and rallies, press conferences, and grassroots lobbying, succeeding in securing initial investments for electric school buses for students in Arizona, California, Colorado, Connecticut, Florida, Illinois, Indiana, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New York, Utah, Vermont, and Virginia.

We offer our partnership and support as the Agency moves to allocate this unprecedented amount of funding to help clean up the nation's school bus fleet, providing cleaner air for students who are particularly vulnerable to diesel pollution and related health risks such as asthma and respiratory illnesses. We want to help the Agency achieve its stated goal of benefiting communities throughout the United States, especially historically underserved and overburdened communities.

We respectfully offer the following recommendations:

On which school buses should be prioritized for funding

We encourage the EPA to consider an age criterion, whereby the oldest and most polluting buses are prioritized for replacement (such as any pre 2009 buses still in actual use).

To the greatest extent possible, using all available tools, we ask the EPA to prioritize and promote the deployment of electric school buses, which will cause the greatest reduction in emissions and help bring electric buses to scale and promote cost parity. With the reductions in cost that this program could achieve in the first few years, electric school buses could achieve a lower total cost of ownership. We believe electric models should be eligible for full funding, while non-electric models should only receive partial funding, both due to the difference in harmful emissions locally and the

large discrepancy in costs. Currently available alternative fuels buses both prolong the time of reliance on those emitting locally harmful and greenhouse gas emissions and do not future-proof school fleets.

On defining and prioritizing “underserved” school districts or communities:

Underserved communities are groups of people who have been intentionally and otherwise marginalized and excluded from policy, funding, and other decisions, denying them access to socio-economic and other opportunities leading to less successful outcomes. Black, Latinx, Indigenous and people of color are less likely to have access to these opportunities and resources than their white, more affluent counterparts, and consequently face greater disparities. To address the impacts of decades of racist and ethnocentric policies and practices, funding decisions must prioritize low-income communities and people of color.

We recommend these most underserved communities be prioritized using a tiering system, acknowledging the varying levels of need. For these categories, we suggest the EPA use the following indicators:

- Income, such as targeting Title I schools;
- Race, such as focusing on historically and systemically marginalized racial and ethnic groups;
- Air pollution from diesel exhaust; and
- Health impacts disparities caused by diesel pollution.

Even if the data isn’t readily available, we encourage the EPA to use these indicators to the best of its ability to help underserved communities invest in cleaner school buses quickly. For school districts large enough to serve both low-income and affluent communities, we recommend the EPA ensure funds are dedicated for buses serving their underserved students and communities.

In order to determine which school districts should be prioritized for funding, we recommend designing a metric or formula which incorporates the above indicators, based on student population, to identify the school districts with the highest needs, and ranking schools according to this metric. Funding can be distributed at three levels according to the following table:

Tier	Percentile	Percent of funding	Estimated number of buses in year 1*	Program costs provided by EPA
1 - Most disadvantaged	100-75%	40%	794	<ul style="list-style-type: none"> • Full cost of vehicle purchase • Make-ready and EVSE (\$40,000 / bus) • Technical assistance (\$10,000 / 5 buses)
2 - Moderately disadvantaged	75-40%	40%	1,102	<ul style="list-style-type: none"> • Incremental cost of vehicle purchase • 80% of make-ready and EVSE • Technical assistance (\$8,000 / 5 buses)

3 - Less disadvantaged	40-0%	20%	716	<ul style="list-style-type: none"> • 80% of incremental cost of vehicle purchase • 50% of make-ready and EVSE • Technical assistance (\$3,000 / 5 buses)
Total			2,612	

* Estimate based on the assumption that all zero-emission school bus funding and 50% of clean and zero-emission school bus funding is invested in electric school buses. Assumed cost of the bus: \$330,000

We recommend the following data be collected in Year 1 to use in designing the program for Years 2 and beyond:

- Specific locations where buses will be parked (e.g., depots, lots)
- Information on routes of buses: mapped and/or areas served by them
- Health pollution data for the bus locations, routes and areas served

On program eligibility

Students shouldn't have to suffer because of their school district's operations model for school buses, i.e., whether they lease or own them. We believe contractors can still access program benefits without being eligible to receive funding directly.

We recommend that any bus purchase assisted by funding under this program not owned by a government entity must serve the school district identified in the application for a period not less than the remaining duration of the contract under which the bus will be used to provide student transportation, or five years, whichever is shorter.

On funding mechanism

We encourage the EPA to adopt a funding mechanism that:

1. Provides funding for administrative and preparation costs--especially for buses serving underserved communities--in order to ensure equity in the distribution and successful deployment of clean school buses, and
2. Provides funding upfront, to ensure that districts are not denied access to clean school buses due to financing limitations.

We urge the EPA not to adopt a "first-come, first-served" policy for applications, as this presents a barrier to entry for disadvantaged school districts and will prevent equitable distribution of funds.

If the EPA chooses to provide funding through rebates, we urge the EPA to investigate whether for private companies, a direct reduction in the price of the bus provided directly to the manufacturer could have tax implications. The EPA should assess what those implications might be and how they will influence equitable deployment of electric school buses.

On granting requirements

We recommend the following:

- Time Limits: We recommend the EPA institute a time limit by which funds must be spent. Given current supply chain issues and delays, this time frame should be at least one year, but

fewer than five. If funds are not used during this time period, then they should be returned to the national program to be distributed to other applicants, prioritizing school buses that provide zero tailpipe emissions and best long-term cost savings for schools.

- **Stackable, But Not Necessarily Matching, Funds:** We support the use of stackable funds, allowing school districts to pair this funding with other federal, private, state and/or local funding or financing provided by green banks, utilities and other financial entities. However, in order not to disadvantage low-income school districts that are less likely to have other funds available, having existing additional or matching funds should not be *required* in order to receive funding from EPA's Clean School Bus Program.
- **Funding for Technical Assistance and Grant Preparation:** We strongly recommend the EPA provide appropriate funding for grant preparation as well as technical assistance for school bus charging, operations, maintenance, training, and disposal. Having technical assistance covered is critical for low-income school districts with fewer personnel. EPA should design the application process for eligible recipients in a way that is as easy, accessible, and streamlined. If in the application school districts need to include an analysis of the bus routes, energy needs for those routes, numbers of buses, numbers of chargers, charging schedule, etc., school districts may not have that information and might need to calculate or develop it.

On bus pricing

In order to make the urgent transition to an all-electric school bus fleet, it is crucial to eliminate the massive price differential between electric and fossil fuel school buses. The investments under this program can help build the scale needed to reduce bus prices—especially if most or all funds are dedicated to electric school buses—but program design decisions will also have a major impact on how quickly prices fall, which is especially important to low-income school districts. We recommend that the EPA work with states with electric school bus funding programs (e.g. California, New York) to negotiate with manufacturers better pricing on school buses. California has allocated \$450 million for electric school bus deployments over the next three years in its Clean Transportation Investment Plans, and proposed another \$1.5 billion in the Governor's 2022-23 budget. These are sufficiently large programs that manufacturers should negotiate reduced wholesale prices for standard models and equipment.

The EPA is in a better position than school districts to aggregate demand and receive wholesale prices, leading the program to purchase more buses at a lower cost. Aggregating demand in this way would also provide an opportunity for the EPA and/or leading states to incentivize the creation of good, U.S. manufacturing jobs throughout the Medium and Heavy Duty EV supply chain (as discussed below in "Workforce" and "Manufacturing Supply Chains"). If the EPA is unable to negotiate pricing directly with manufacturers, we urge the EPA to provide information to applicants on the different school bus models offered, including detailed pricing information and opportunities for joint solicitations such as the Climate Mayors EV Purchasing Collaborative.

On the student transportation workforce

We recommend the EPA consider the following measures to ensure that program investments are safely, properly, and effectively deployed:

- Require that Electric Vehicle Supply Equipment installation projects funded by this program employ EVITP-certified electricians in order to ensure safe and proper installation and maintain high standards in the electrical contracting industry. Include requirements, funding, or incentives to create electrical pre-apprenticeship and apprenticeship opportunities for

workers from communities that have traditionally been excluded from or under-represented in the electrical workforce, workers with barriers to employment, and displaced workers.

- Engage manufactures to incentivize/require them to provide continuous training for dealers and/or recipients, to ensure that technical staff have the highest level of training available to successfully maintain and repair electric buses. Similarly, EPA can encourage recipients to procure adequate training, including continued training as best practices develop.
- Provide grants for educational institutions to develop training programs for medium/heavy-duty EV maintenance and repair with collaboration from OEMs, workforce organizations, and worker organizations.
- Prohibit grant recipients from outsourcing operators or laying off employees as a result of receiving funding. As an example, the Clean Commute for Kids Act (2021) included the following provision:

“The Administrator shall require as a condition of receiving an award ... that an award recipient does not, as a result of receiving an award, lay off, transfer, or demote any employee; or reduce the salary or benefits of any current employee or worsen the conditions of work of any employee; and [shall provide] current employees with training to effectively operate, maintain, or otherwise adapt to new technologies relating to clean school buses.”

To the extent possible, we urge the EPA to ensure the creation of high-wage, domestic, union careers through program investments, especially for workers from communities that have traditionally been excluded from or under-represented in the manufacturing workforce, workers with barriers to employment, and displaced workers. EPA could accomplish this through one or more of the following measures:

- In applications for school bus makes/models to be eligible for purchase using program funding, require manufacturers to provide public, enforceable commitments on the creation of well-paid jobs in the U.S., which can be scored and used to provide higher incentives for school bus models that create good U.S. manufacturing careers with inclusive hiring practices.
- In solicitations for contracts with eligible contractors to provide rebates for the replacement of old school buses, require OEMs to provide public, enforceable commitments on the creation of good U.S. manufacturing careers with inclusive hiring practices, which can be scored and used as a factor in evaluating bids.
- Encourage eligible recipients to procure buses using best value solicitations where possible, which may include manufacturing job quality as a factor in evaluating bids.

On manufacturing supply chains and procurement practices:

To incentivize a sustainable supply chain with responsible procurement practices, we encourage the EPA to:

- Incorporate policies to promote the development of the domestic supply chain and create good, U.S. jobs in the medium and heavy duty electric vehicle sector.
- Consider additional reporting requirements for battery sourcing and recycled content

Additionally, regulatory policy changes are needed to ensure that the collection, recycling, and safe disposal of these critical materials is socially and environmentally sustainable across the supply chain. In addition to sustainable policies incorporated into the Clean School Bus Program, the United States must also update its mining laws, so that when mining does occur it is environmentally

sustainable, respects the rights of Indigenous communities, avoids perpetuating environmental racism, and employs high safety and job quality standards.

On leveraging federal dollars to ensure the transformation of the entire fleet

To ensure the funding approved by the Infrastructure Investment and Jobs Act and deployed by the EPA is used effectively, serves as seed funding and attracts more capital to invest in electric school buses in pursuit of the goal of transforming all student transportation in the US, we encourage the EPA to:

- Incentivize state and local government funding by matching and reward mechanisms where possible, especially in Tier 3 or more affluent school districts.
- Incentivize inclusive utility investments in charging infrastructure, batteries or buses to reduce the upfront costs. Inclusive utility investments, approached with robust consumer protections, are financing mechanisms where utilities make site-specific investments and recover their costs with fixed charges, no increase in rates, and the charges are still within the savings between operating diesel and electric buses for school districts. These mechanisms known as Tariff on Bill Programs or Pay as You Save® have been identified by the Energy Star EPA's program as emerging models to expand the scale and deployment of the zero-emissions technologies to everyone.
- Work with the Climate Partnerships Division at EPA, which is already educating utilities, to implement utility inclusive investments in an integrated way.

We believe that together these recommendations can best support successful program implementation and meet the administration's environmental, equity and labor goals to ensure those most burdened by air pollution are prioritized for a transition to cleaner rides and cleaner air.

The undersigned organizations hope to serve as a resource and set of trusted messengers as you carry out your goals in an equitable manner. Our members are willing and available to meet with you to discuss these recommendations in further detail. Please contact Carolina Chacon, Coalition Manager for the Alliance for Electric School Buses, at carolina@chaconconsulting.com, to schedule any conversations or to share any comments or questions.

The nation's school children, communities, and workers are counting on us. Let's show them we are ready to deliver, together.

Respectfully,

Chispa Arizona
Chispa Florida, a program of Florida Conservation Voters
Chispa Maryland, a program of the Maryland League of Conservation Voters
Chispa National
Chispa Nevada
Clean Energy Works
DreamCorps Green For All
Earthjustice
Electric Bus Newsletter
Jobs to Move America
League of Conservation Voters
Moms Clean Air Force
Mothers Out Front

Mothers Out Front Fairfax County
New York League of Conservation Voters
Save the Sound
Sierra Club
VEIC
WE ACT for Environmental Justice

cc: Michael Regan, Administrator, U.S. EPA
Gina McCarthy, White House National Climate Advisor
Mitch Landrieu, Senior Advisor to the President for Infrastructure Coordination
Matthew Tejada, Director, Office of Environmental Justice, U.S. EPA
Marcus Holmes, Region 1, Office of Environmental Justice, U.S. EPA
Towana Joseph, Region 2, Office of Environmental Justice, U.S. EPA
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