

May x, 2020

The Honorable Nancy Pelosi
Speaker
US House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, The Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
US House of Representatives
H-204, The Capitol
Washington, DC 20515

The Honorable Chuck Schumer
Minority Leader
United States Senate
S-221, The Capitol
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader McCarthy, and Minority Leader Schumer:

On behalf of our tens of millions of members and supporters nationwide, we thank you for your strong efforts to combat COVID-19 and safeguard Americans during this crisis. We urge you to continue your work to prioritize public health and frontline workers. **As Congress looks to rebuild and stimulate the economy, we also urge you to invest in a major clean transportation stimulus package that will go a long way in putting Americans back to work, increasing American competitiveness, and protecting our health and climate. This includes relief and stimulus investment in electrifying the entire transportation sector and supporting public transit. We specifically recommend that a stimulus program accelerate clean transportation manufacturing, invest in electric vehicle infrastructure, deploy electric buses in transit and school bus fleets, and make electric cars and trucks more affordable to consumers and businesses.**

Growing electric vehicle related manufacturing and deployment will accelerate job growth. In 2019, in the vehicle sector alone, there were more than 250,000 people [employed](#) in jobs related to hybrid and electric vehicles, and nearly 500,000 working in jobs focused on fuel efficient components. Tens of thousands of them have already lost their jobs due to the [COVID-19 crisis](#). Creating strong incentives for clean transportation will help put these and other Americans back to work.

Investing in electrifying the transportation sector will help the most vulnerable among us. According to recent analysis, being previously exposed to air pollution is [linked](#) to notably higher rates of death in people with COVID-19. The transportation sector is a significant and dangerous source of [particulate matter](#) (PM) and nitrogen oxide (NOx) pollution. Additionally, [studies](#) show that low-income neighborhoods and communities of color breathe in the dirtiest sources of pollution, causing higher rates of asthma, cancer, and respiratory issues. The transportation sector is also the leading source of climate-damaging pollution. Climate change fuels dangerous storms, droughts, and wildfires that put American lives and our nation's economy and security at risk.

Electric vehicles (EVs) [are much cleaner](#) than their conventional gasoline and diesel counterparts, even when accounting for power plant emissions associated with charging EVs. These vehicles are also unique in their ability to become even cleaner as the electricity grid is increasingly powered by low- and zero-emissions power. EVs also do not emit PM or NOx from tailpipes, directly impacting local air quality. What's more, countries worldwide are moving rapidly to capture this growing market, and the U.S. risks being left behind.

We urge you to consider the following pro-worker, pro-economy, pro-public health, and pro-climate transportation electrification and transit investments as top-tier priorities that should be included in forthcoming COVID-19 stimulus packages:

1. Invest at least \$20 billion in domestic clean vehicle and parts manufacturing

Due to the pandemic and the economic crisis associated with it, American manufacturing is at risk, particularly in the vehicle sector. The automotive industry accounts for a major portion of U.S. manufacturing and a disproportionate amount of U.S. GDP and research and development. The industry [employs](#) more than a million manufacturing workers directly and millions more indirectly. At least 40 manufacturers in the U.S. offer more than 100 different models of [electric trucks, school and transit buses](#), and passenger vehicles, but other nations worldwide are moving even faster to capture this rapidly growing global market. A smart and robust stimulus investment in manufacturing of zero emission vehicles, batteries, battery cells, and other advanced vehicle technology in the U.S. can bring back jobs to communities across the nation and help U.S. companies compete in a global marketplace that is rapidly moving toward electrified transportation.

Congress can leverage several existing programs to expand American clean light-, medium-, and heavy-duty vehicle manufacturing:

- **Expand and update the Advanced Technology Vehicles Manufacturing Program (ATVM) for today's economic landscape** by allowing medium- and heavy-duty electric vehicle manufacturers and suppliers to apply for this revolving loan program, which will accelerate scale for this nascent industry. Expanding the criteria will encourage new applicants, particularly in this economic downturn. There are provisions to do this in the No EXHAUST Act ([H.R. 5545](#)) as well as in the ATVM Program Reform Act ([H.R. 5860](#)).
- **Fund the Manufacturing Conversion Grants authorized in section 132 of the Energy Independence and Security Act** - These grants would provide direct funding to manufacturers to retool plants that are closed or are at risk closing to help accelerate manufacture of EVs and critical components.
- **Robustly fund the [48C tax credit](#)** that supports small and medium sized business to retool to build clean energy and vehicle technology, and make this tax credit refundable.

2. Invest \$20 billion in electric vehicle charging infrastructure

Building out public [EV charging infrastructure](#) will dramatically [increase](#) the number of people who are willing to purchase an EV. Using [electricity](#) to fuel vehicles is [cleaner](#), can make the grid more efficient, and will save consumers money. EVs also provide [savings](#) in fuel and maintenance costs for drivers, and installing EV charging stations provide good paying electrical jobs. For example, the International Brotherhood of Electrical Workers (IBEW) estimates that installing about 500,000 charging stations in California alone will result in over 5,000 full time jobs. In addition, federal and state governments should

encourage the use of domestically manufactured equipment, which will result in more domestic manufacturing jobs. Additionally, significant EV charging infrastructure is needed for transit buses, port vehicles, ride-share vehicles, and corporate and government fleets of light-, medium-, and heavy-duty vehicles.

There are several ways to smartly invest in charging infrastructure:

- **Ensure that there is adequate charging along highways** to enable longer distance travel for EV drivers and to address congestion-related emissions due to concentrated regional freight commerce. This can be accomplished through bills such as the Clean Corridors Act ([S. 674/H.R. 2616](#)) or the EV Freedom Act ([H.R. 5770](#)).
- **Make charging equitably available** to people who do not have access to a driveway or garage, which is particularly important for people who live in apartments. Ensuring that communities that bear disproportionate pollution burdens, such as low-income communities and communities of color, have access to charging so that clean vehicles can be deployed in their communities is also important and can be addressed through bills such as through the Electric Vehicles for Underserved Communities Act ([H.R. 5751](#)).
- **Support infrastructure necessary for the deployment of electric freight trucks** operating to and from ports, warehouses and other logistic hubs with heavy-duty vehicle charging infrastructure grants. Provisions for this are included in the No Exhaust Act ([H.R. 5545](#)) and Section 1402 of America's Transportation Infrastructure Act of 2019 ([S. 2302](#)).
- **Use existing DOT programs to further deploy charging infrastructure**, including the Congestion Mitigation and Air Quality (CMAQ) and Surface Transportation Block Grants (STBG) programs.
- **Provide long-term certainty that federal incentives for EV infrastructure will exist.** Manufacturers and installers of charging equipment need certainty that incentives will be available, such as the alternative fuel infrastructure tax credit (30C). Ensuring that each charging unit is eligible will also be helpful for larger installations with multiple pieces of equipment for charging depots and when there are more EVs on the roads.

3. Invest \$20 billion in the adoption of electric buses for transit & school bus fleets

Electrifying transit and school buses will not only boost the nascent electric bus industry, it will eliminate air pollution from these vehicles along their fixed routes, thus protecting the health of the drivers, riders, and people who live along the routes. There are about 475,000 school buses in the United States that transport 23 million children every school day racking up 3.4 billion miles per year. Additionally, there are 66,000 public transit buses in the United States that collectively travel more than 2 billion miles and emit about 6 million tons of CO₂ per year. Low-income residents and communities of color disproportionately rely on public transit buses and live in neighborhoods where dirty exhaust worsens public health. An electric transit bus will [save](#) about 47 kg of NO_x per year compared to a diesel bus and will emit 78 metric tons less of GHG per year than a conventional diesel bus. Additionally, an [electric transit bus can achieve the equivalent of 25 mpg](#), as compared to 5 mpg for a conventional diesel hybrid bus, which can save up to \$50,000 annually in fuel and maintenance costs. There is abundant interest in purchasing electric transit buses as public transit agencies in at least 45 states have begun adding electric buses for their fleets, and several U.S. cities as well as the state of California have committed to a 100% transition to electric transit buses. Meanwhile, according to a recent [study](#), U.S. investment in electric

transit buses alone could lead to upwards of nearly 8,000 job-years through 2030 with an economic output increase of \$2.5 billion over a 15 year period. However, this young industry requires public investment to accelerate its growth and reach economies of scale.

A switch to zero emission school and transit buses presents a critical opportunity to create jobs, slash pollution harmful to our health, reduce oil use, and reduce greenhouse gases to mitigate climate change. We recommend Congress:

- **Provide additional funding for the Low-No competitive grant program** administered by the Federal Transit Administration for the purchase of low or zero emission transit buses. In recent years, demand for grant funding has far exceeded available funding. In 2018, states and cities applied for grants totaling \$558 million, but only \$85 million of funding was available (FTA 2019).
- **Provide additional funding for the Clean School Bus Program in EPA’s Diesel Emissions Reductions Act (DERA) specifically for the purchase of electric school buses.** In 2019, EPA [awarded](#) \$11.5 million in grants to 157 school districts to aid in new cleaner school buses for their fleets. However, there were 260 school districts who were [not selected](#) in the lottery system that the program uses to give out grants. We recommend significantly increasing the amount of money that is available for electric school buses, increasing the per bus award limit, and funding infrastructure investments for electric school buses.

4. Invest in the adoption of electric trucks

One of the things the COVID-19 crisis has made clear is how heavily Americans depend on the shipping industry. [Heavy-duty vehicles make up](#) only 5 percent of all vehicles on the road in the United States but emit 45 percent of the U.S. transportation sector’s nitrogen oxide (NOx) pollution, 57 percent of its fine particulate matter pollution, and 25 percent of global warming emissions in the transportation sector. This exhaust disproportionately affects the health of people of color and low-income communities due to proximity to heavy vehicular and port traffic as well as trucking corridors. Electric trucks do not emit any NOx, PM2.5, or GHG pollution during vehicle operation. Meanwhile, sales of electric-drive medium and heavy-duty vehicles globally (excluding China) are expected to increase by a compound annual growth rate of nearly 17% between 2018 and 2030. U.S. companies and workers can benefit greatly in this market, and we can significantly improve public health with adoption of these vehicles in our communities, but only with early market assistance.

We recommend that a purchase incentive be put in place for medium- and heavy-duty vehicles to speed the transition to adoption and manufacturing of cleaner trucks. The point of sale voucher model at the state and local level has been shown to be [successful](#) in efficiently deploying zero-emission trucks and buses among fleet operators, purchasers, and dealers.

- **Provide a purchase incentive for medium- and heavy-duty zero emission vehicles to accelerate deployment** - this could take many forms, such as:
 - A rebate at the point of sale for electric trucks;
 - A 10 percent tax credit as proposed in the Green VAN Act ([H.R. 5162](#)); or
 - Exempt zero emission medium- and heavy-duty truck purchasers from paying the current 12% excise tax on the purchase of heavy-duty vehicles.

5. Extend the purchase incentives for passenger cars and trucks

Sales of light-duty EVs have been on the rise as more models become available and consumers gain experience with these vehicles. However, due to the downturn in the economy, manufacturers are delaying introduction of new vehicles, and plants are idling around the country. In 2019, American workers in the hybrid, electric, and hydrogen vehicles arena accounted for [3.38 million jobs](#). A robust return to vehicle sales - and to advanced vehicle sales - will be critical to restart and sustain domestic manufacturing investment and secure the industry's global competitiveness coming out of this crisis.

To promote jobs and health benefits of electric cars and trucks, Congress should:

- **Extend the tax credit for light duty electric vehicles**, such as proposed in the Driving America Forward Act ([S. 1094/H.R. 2256](#)). Congress should also consider making this a point of sale rebate for more immediate stimulative effects.
- **Ensure any demand stimulus to support automobile manufacturers is invested to spur the sale and manufacture of highly efficient and electric vehicles, maintain and increase domestic manufacturing, protect and create good jobs, and strengthen the industry's global leadership on clean vehicles.** Manufacturers must also ensure worker safety and remain compliant with conditions in the CARES Act.

6. Invest at least \$20 billion in immediate operational assistance and prioritize funding capital improvements for public transit

While \$25 billion for transit and \$1 billion for passenger rail was a good initial response through the CARES Act, [estimated](#) COVID-19-related losses to transit agencies already tally between \$26 and \$40 billion. Many essential workers rely on public transit to get to work at locations such as hospitals and grocery stores. Meanwhile, these transit riders and transit workers themselves are risking their lives during the pandemic. Additionally, public transit needs a long-term significant boost to support our communities and economy. Transit provides affordable mobility for millions of households to get to medical appointments, educational opportunities, and other services critical for economic development and well-being. Investment in transit pays big dividends in employment as well; every \$1 billion invested in public transit [creates](#) more than 50,000 jobs and economic returns of \$3.7 billion over 20 years. Additionally, recent [analysis](#) found that public investment spent on public transportation produced 70 percent more job hours than funds spent on highways.

This kind of stimulus will lead to significant job increases. To keep public transit operating cleanly and safely, both now and into the future, we recommend these investments in transit:

- **Provide an additional \$20 billion in immediate relief funding to U.S. transit agencies** to ensure that safety and data-driven public health measures are in place, the continuation of frequent and reliable service, and temporary agency ability to make up for COVID-19-related lost revenues from increased telecommuting and decreased travel.
- **Wave the prohibition on using capital funds for operational expenses and wave local cost share for future capital investments for at least a year.**
- **Address the \$99 billion “state of good repair” backlog for U.S. public transit.** According to industry [analysis](#), \$18 billion/year is needed for maintenance alone, and significant new funding for expansion.

- **If a stimulus investment includes the highway trust fund, public transit should receive at least 50% of the guaranteed borrowed or granted funds,** the current 20% cap is from an outdated 1982 agreement.

Thank you for your ongoing work, in the face of the COVID-19 crisis, to ensure both immediate relief and long-term recovery and stimulus. Major investment in clean, family-sustaining, 21st century transportation jobs will benefit our safety, health, climate, mobility, economy, and American competitiveness for generations to come.

Sincerely:

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CC:

Chairman Richard Shelby, Senate Committee on Appropriations
 Ranking Member Pat Leahy, Senate Committee on Appropriations
 Chairman Mike Crapo, Senate Committee on Banking, Housing, and Urban Affairs
 Ranking Member Sherrod Brown, Senate Committee on Banking, Housing, and Urban Affairs
 Chairman John Barrasso, Senate Environment and Public Works Committee
 Ranking Member Tom Carper, Senate Environment and Public works Committee
 Chairman Chuck Grassley, Senate Finance Committee
 Ranking Member Ron Wyden, Senate Finance Committee
 Chairwoman Nita Lowey, House Committee on Appropriations
 Ranking Member Kay Granger, House Committee on Appropriations
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 Chairman Peter DeFazio, House Committee on Transportation & Infrastructure
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 Chairman Richard Neal, House Committee on Ways and Means
 Ranking Member Brady, House Committee on Ways and Means
 Chairman Kathy Castor, House Select Committee on the Climate Crisis
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