

April 12, 2021

The Honorable Nancy Pelosi  
Speaker  
US House of Representatives  
H-1238, Longworth  
Washington, DC 20515

The Honorable Chuck Schumer  
Majority leader  
United States Senate  
S-322, Hart  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
US House of Representatives  
H-2468, Rayburn  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
S-317, Russell  
Washington, DC 20510

On behalf of our tens of millions of members and supporters nationwide, we thank you for your efforts thus far to combat COVID-19 and safeguard people across the country during this crisis including passage of the American Rescue Plan Act. As Congress looks to Build Back Better, and stimulate the economy, we also urge you to invest in dramatically decreasing pollution from transportation that negatively impacts health in ways that makes people even more vulnerable to COVID-19. The recovery plan should also prioritize investments in transit, ensuring that everyone not only has access to good jobs that will build our communities back stronger, but that all people and workers are able to move about safely now and in the years to come. Support for low-income communities and BIPOC (Black Indigenous and People of Color) in particular should be prioritized to mitigate the ongoing impacts of structural racism, including underinvestment, less access to reliable service, greater exposure to pollution, and the persistent health related inequities that have led to people of color suffering higher rates of sickness and death from COVID-19. Local governments, that were already strapped for funding before experiencing staggering drops in revenue, will need support to sustain and improve functioning and safe transportation systems that serve the public. Funding clean transportation infrastructure is critical to reviving people's mobility, safety, health, and the economy.

In addition, investing in electrifying the transportation sector will help the most vulnerable among us. According to [recent analysis](#), being chronically exposed to slightly elevated 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 BIPOC communities breathe in the dirtiest sources of pollution, causing higher rates of asthma, cancer, respiratory issues, and other chronic conditions. The transportation sector is also the leading source of climate-damaging pollution and its proportional impact has been increasing over time. Climate change fuels dangerous storms, droughts, and wildfires that put American lives and our nation's economy and security further at risk.

As you consider recovery legislation, we urge you to make equitable pro-worker, pro-economy, pro-public health, and pro-climate transportation, transit, and electrification investments top-tier priorities. This includes making sure funding supports the development of a strong domestic manufacturing sector, by aggressively deploying effective tools that incentivize domestic manufacturing, good paying jobs and strong labor provisions.

We recommend:

## **1. Invest at least \$40 billion in domestic clean vehicle and parts manufacturing, and make added investments in essential supply chains**

The COVID crisis demonstrated both the importance of manufacturing as part of the economic foundation of the nation, and the risks to our economy and security when we lack the ability to produce critical technology here. It also underscored the persistent vulnerability of too many essential workers, including in the manufacturing sector, and particularly workers of color, to poor working conditions and threats to their health and safety. Rebuilding American manufacturing and supply chains; ensuring good manufacturing jobs, and equitable access to good manufacturing careers, will be critical to an immediate and lasting recovery; and ensuring American factories and workers are building electric vehicles and the technology that goes into them will be an essential part of that plan.

The auto industry is at the heart of America's manufacturing sector and it is at a turning point. The automotive industry accounts for a major portion of U.S. manufacturing, a significant portion of U.S. GDP and - in line with manufacturing broadly - a disproportionate share of private sector research and development. The industry [employs](#) 900,000 manufacturing workers directly and millions more indirectly. At least 40 manufacturers offer more than 100 different models of [electric trucks, school and transit buses](#), and passenger vehicles in the U.S., but other nations worldwide are moving even faster to capture the manufacturing and jobs connected with this rapidly growing global market.

A smart and robust stimulus investment in the manufacturing of zero-emission vehicles, batteries, battery cells, and other advanced vehicle technology in the U.S., under sound labor and equity standards, is essential to secure and bring back good jobs to communities across the nation and help U.S. companies compete in a global marketplace that is rapidly moving toward electrified transportation. Growing electric vehicle related manufacturing hand in hand with increased EV deployment is critical to job growth.

Congress can build on 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** to cover, at a minimum, medium- and heavy-duty clean vehicles and the requisite component manufacture, the manufacture of related electric charging/hydrogen fueling equipment and prioritize economically critical technologies. It should also target investment in deindustrialized communities and ensure the creation of and access to good-paying jobs. By allowing advanced technology manufacturers and suppliers to apply for this loan program, the timeline for scaling this nascent industry in the US will be accelerated. Additionally, expanding the criteria will encourage new applicants, particularly in this economic downturn. We recommend providing \$1.9 billion to replace the funds rescinded in 2020 from the ATVM Program, restoring the potential of the full \$17.7 billion in loan availability, which will facilitate the aforementioned expansion to medium- and heavy-duty vehicles. If Congress seeks to expand the scope of the program to cover other transportation sectors such as aviation, additional

funds of approximately \$2.5 billion in credit subsidies would be needed to support significant additional loan authority.

- **Fund the Manufacturing Conversion Grants authorized in section 132 of the Energy Independence and Security Act at \$25 billion, over the next 10 years** to shift or retool facilities to produce clean vehicles or components and update the program to include key EV propulsion technologies. These grants would provide direct funding to manufacturers to retool plants that are closed or are at risk of closing to help accelerate the manufacture of EVs and critical components.
- **Robustly fund, update, and target the [48C tax credit](#)** that supports small and medium sized business to retool to build clean energy and vehicle technology with at least \$10 billion. The credit should be expanded to include the manufacture of light-, medium-, and heavy-duty plug-in electric and fuel cell vehicle components, charging infrastructure technology, and a full range of energy storage technologies vital to advanced vehicle propulsion. The credit should prioritize or set aside funding for projects that benefit low income and dislocated workers and deindustrialized, underinvested, and impacted communities. The updated tax credit should be made refundable or direct pay, if possible.
- **Redefine the 45M (or create similar) manufacturing production tax credit** to support production of economically critical clean technology or components not yet manufactured domestically at scale. Eligible technologies to include, for example, battery cells and other components.

## **2. Invest \$40 billion over 10 years in electric vehicle charging infrastructure**

Significant EV charging infrastructure is needed for EV owners, transit buses, port vehicles, ride-share vehicles, and corporate and government fleets of light-, medium-, and heavy-duty vehicles. Building out public Level 2 and DCFC [EV charging infrastructure](#)--including near multi-unit dwellings (MUDs), workplaces, transit stations, and at highly frequented destinations--will dramatically [increase](#) the number of people who are willing to purchase an EV. Planning is important both to help optimize charging infrastructure installation and to ensure deployment does not ignore low-income communities and communities of color. Using [electricity](#) to fuel vehicles is [cleaner](#), can make the grid more efficient with the right incentives and tools to manage charging, and will save consumers money. EVs also provide [savings](#) in fuel and maintenance costs for drivers, and installing EV charging stations provides good paying electrical jobs. A [recent analysis](#) of publicly available data estimates that this level of investment would support between 240,000 and 600,000 full-time jobs for a year. Federal and state governments should encourage the use of domestically manufactured equipment and strong labor and training standards across these projects, resulting in a more robust industry, and more and better domestic jobs.

There are several ways to smartly invest in charging infrastructure:

- **Ensure that there is adequate, interoperable 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 (116th Congress: [S. 674](#); 117th Congress: [H.R. 2012](#)) 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 multi-family units. 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. 1221](#)).

- **Support infrastructure necessary for the deployment of zero-emission/electric freight trucks** operating to and from ports, warehouses, and other logistic hubs with medium- and heavy-duty vehicle charging infrastructure, such as charging depots. Such funding could include grants, loans and other incentives to enhance the deployment of zero-emission fleets.
- **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). Increasing the cap on business investments will help support fast-charging stations for EVs and ensuring that each charging unit is eligible for the credit would be helpful for larger installations with multiple pieces of equipment for charging depots, as well as when there are more EVs on the roads. To address issues with tax liability, this credit should also be made refundable.

### **3. Invest at least \$50 billion in the adoption of electric buses for transit & school bus fleets**

Transition the transit and school bus fleets to domestically manufactured zero-emission vehicles while protecting and creating jobs, maintaining workers' rights, and ensuring high road labor standards in their manufacture, operation and maintenance. Electrifying transit and school buses will not only boost the nascent electric bus industry, these vehicles have no tailpipe emissions, and will thus protect 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 CO<sub>2</sub> per year. Compared to a conventional diesel bus, an electric transit bus will [emit](#) about 47 kg less of NO<sub>x</sub> and 78 metric tons less of GHG 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. Across the board nationwide, asthma rates for Black and Latinx children are higher than their white counterparts. 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, especially in low-income communities and communities of color, reduce oil use, and reduce greenhouse gases to mitigate climate change.

We recommend Congress:

- **Provide at least \$25 billion in funding for the Low-No competitive grant program over 10 years** (prioritizing zero-emission buses) administered by the Federal Transit Administration (FTA) for the purchase of low or zero-emission transit buses. In recent years, demand for grant funding has far exceeded available funding. In FY 20, states and cities applied for grants totaling \$513 million, but only \$130 million of funding was available ([FTA 2021](#)).
- **Provide at least \$25 billion in funding for the purchase of electric school buses.** Accelerating school bus deployment also requires funding for workforce development and training as well as charging infrastructure investments and awards. The CLEAN Future Act would authorize a clean school bus program at \$2.5 billion per year from FY 2022-2031, with no less than 40 percent of annual funding to be used to replace school buses serving environmental justice communities.

#### **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, freight and commercial delivery sectors. [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. By coupling clean truck policies with sound labor and environmental and equity standards, U.S. companies and workers can benefit greatly in this market, and we can significantly improve public health with the 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 levels has been shown to be [successful](#) in efficiently deploying zero-emission trucks and buses among fleet operators, purchasers, and dealers.

- **Provide for a new purchase incentive for medium- and heavy-duty zero emission vehicles to accelerate clean truck deployment:**
  - Create a new purchase incentive for new, used, or repowered zero-emission trucks to lower the upfront cost, accelerate the production and deployment of hundreds of thousands of zero-emission trucks nationwide, and help fleets of all sizes decarbonize. This incentive for eligible truck purchases should be structured as a point-of-sale rebate or as a tax credit. Making the incentive refundable and/or transferable will ensure that the credit can be utilized by fleets of all sizes.
  - Exempt zero-emission medium- and heavy-duty truck purchasers from paying the current 12% excise tax on the purchase of heavy-duty vehicles in the near-term in order to help offset the higher upfront cost of these vehicles.

- **Provide \$25 billion over 10 years for port electrification projects** to advance zero-emissions operations at freight facilities. This addresses the deep inequities that freight facilities are primarily sited in places that disproportionately harm low-income communities and communities of color. The funding must only go towards infrastructure supporting human-operated zero-emissions vehicles. This funding will also create significant numbers of jobs, especially electrician jobs installing large-scale charging infrastructure.

## 5. Support purchase incentives for passenger cars and trucks

Electric vehicles (EVs) [are much cleaner](#) than their conventional gasoline and diesel counterparts, even when accounting for 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-emission 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.

Sales of light-duty EVs have been on the rise as more models become available and consumers gain experience with these vehicles, including greater understanding of their excellent performance and [lower ownership costs](#). While all EV and gas car sales were impacted by the pandemic in 2020, the EV market rebounded from September through December 2020 compared to those months in 2019, with EV sales in November and December up 86% and 52% over the same months in 2019, respectively. Since the gas car market was down 15% in 2020, this [indicates that EVs outperformed gas vehicles overall in 2020](#). However, due to the downturn in the economy, manufacturers are delaying the introduction of new vehicles, and plants are idling around the country. A robust return to vehicle sales - and to advanced vehicle sales - will be critical to revive 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:

- **Update the tax credit for light-duty electric vehicles or create a point-of-sale rebate** that supports domestic assembly, domestic content, and high road labor standards and addresses equity through income or transaction caps or adders. Modifications to the tax credit should also remove the per-manufacturer cap and extend the credit for 10 years and be refundable.
- **Establish a refundable used EV credit** to improve access to EVs for low- and moderate-income consumers. The Growing Renewable Energy and Efficiency Now (GREEN) Act ([H.R. 848](#)) includes language that would create a refundable used EV credit.
- **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.
- **Provide funding to facilitate the rapid conversion of the federal fleet, including the United States Postal Service, to zero-emission vehicles.**

## 6. Invest at least \$38 billion annually in operating and maintenance support and prioritize funding capital improvements for public transit



Thank you for the passage of \$30.5 billion in the American Rescue Plan for emergency transit funding. While the American Rescue Plan is a major lifeline to public transit, additional funding will still be required to keep transit running at the needed frequency, expand access, and to implement health measures to keep transit riders and workers safe. Many essential workers rely on public transit to get to work at locations such as hospitals and grocery stores, putting themselves, other transit riders, and transit workers at risk during the pandemic. All these groups of transit users are disproportionately people of color. Cancelled routes and decreased service frequency has not only made these essential workers lives more difficult but may also decreasing the number of hours that they are able to work, limit the areas that they can provide needed medical services, such as home care, to and even decreasing the total employment of essential workers who need transit access.

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:

- **Create a \$20 billion annual operating support program** to incentivize more and more frequent and expanded service, prioritizing expansion for communities of color and low-income communities, as well as for rural communities that are less likely to have robust access to public transit options. This program must also train the existing workforce to repair, maintain, and operate new zero emission vehicles, and ensure that agencies can effectively provide safe and reliable zero emission service.
- **Address the \$99 billion “state of good repair” backlog for U.S. public transit.** According to industry [analysis](#), \$18 billion a year is needed for maintenance alone, with significant new funding needed 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 that does not apply to non-user-fee funding and doesn’t reflect present need.

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,

American Council for an Energy-Efficient Economy

CALSTART

Clean Energy Action - Colorado

Clean Water Action

Clean Energy Economy for the Region (CLEER)

Climate Hawks Vote

Climate Law & Policy Project

Coalition for Clean Air

Defend Our Future

Dream Corps Green For All

Earth Ethics

Earthjustice

Ecology Center (Michigan)

Elected Officials to Protect America

Empower our Future

Environmental Defense Fund

Environmental Law & Policy Center

Environmental Working Group

Forth

Franciscan Action Network

GreenLatinos

Interfaith Power & Light

League of Conservation Voters (LCV)

Moms Clean Air Force

National Wildlife Federation

Natural Resources Defense Council

Our Climate Education Fund

Plug In America

Rachel Carson Council

Shared Use Mobility Center

Sierra Club

Southern Alliance for Clean Energy

Southwest Energy Efficiency Project

The CLEO Institute

Transportation for America

Union of Concerned Scientists

Voices for Progress

CC:

Chairman Patrick Leahy, Senate Committee on Appropriations

Vice Chairman Richard Shelby, Senate Committee on Appropriations

Chairman Sherrod Brown, Senate Committee on Banking, Housing, and Urban Affairs

Ranking Member Patrick Toomey, Senate Committee on Banking, Housing, and Urban Affairs

Chairman Joe Manchin, Senate Committee on Energy and Natural Resources

Ranking Member John Barrasso, Senate Committee on Energy and Natural Resources



Chairman Tom Carper, Senate Environment and Public Works Committee  
Ranking Member Shelly Moore Capito, Senate Environment and Public Works Committee  
Chairman Ron Wyden, Senate Finance Committee  
Ranking Member Mike Crapo, Senate Finance Committee  
Chairwoman Rosa DeLauro, House Committee on Appropriations  
Ranking Member Kay Granger, House Committee on Appropriations  
Chairman Frank Pallone, Jr., House Committee on Energy and Commerce  
Ranking Member Cathy McMorris, House Committee on Energy and Commerce  
Chairman Peter DeFazio, House Committee on Transportation & Infrastructure  
Ranking Member Sam Graves, House Committee on Transportation & Infrastructure  
Chairman Richard Neal, House Committee on Ways and Means  
Ranking Member Kevin Brady, House Committee on Ways and Means  
Chairman Kathy Castor, House Select Committee on the Climate Crisis  
Ranking Member Garret Graves, House Select Committee on the Climate Crisis  
Members of the Senate  
Members of the House

