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TO: BOARD OF DIRECTORS BOARD BOX ITEM

FROM: JAMES L. de la LOZA, EXECUTIVE OFFICER, REGIONAL
TRANSPORTATION PLANNING & DEVELOPMENT

ELLEN LEVINE, EXECUTIVE OFFICER
TRANSIT OPERATIONS

SUBJECT: STATUS OF NEW BUS PROCUREMENT POLICY

ISSUE

At its May 1997 meeting, the MTA Board discussed the possibility of allowing greater flexibility in the selection of bus engine technologies (i.e., CNG and clean diesel technology) for future MTA bus procurements. While reaffirming its support for improving air quality, the Board directed staff to develop a performance based Bus Technology Policy to guide future bus procurements. This policy was to be developed in consultation with the environmental community, and in consideration of the Air Quality Management Plan and SCAG Regional Transportation Plan. This report updates the status of staff's efforts.

BACKGROUND

In October 1993, the MTA adopted the Alternative Fuel Initiative (AFI) Policy, which states that new buses purchased must operate on alternative fuels. As a result, MTA has the largest clean fuel bus fleet in the world and is a national leader in operating alternative fuel buses. MTA's fleet includes 329 ethanol buses and 270 compressed natural gas (CNG) buses, with more on order. This represents about 25% of the MTA fleet.

At its May 1997 meeting, the MTA Board discussed the appropriateness of this policy given the high costs associated with purchasing clean fuel technology compared to traditional diesel powered buses. For example, a CNG bus costs about \$50,000 more than the cleanest diesel powered bus. In addition, maintenance and fueling infrastructure costs for CNG technology exceed those for diesel fuel. In short, MTA could purchase 290 clean diesel buses for the price of 223 CNG buses and provide more efficient transit service.

However, environmental advocates have expressed strong support for the continuation of the AFI Policy. The Board directed staff to consult with

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environmental interests and provide recommendations. Staff met with representatives from SCAQMD, California Air Resources Board (CARB), the Coalition for Clean Air, the American Lung Association and the Natural Resources Defense Council (NRDC). These groups expressed concern that a new MTA bus procurement policy would allow MTA to purchase diesel buses which they believe would adversely impact the region's air quality. They strongly urged MTA to retain its leadership role as a clean-fuel bus operator.

Concerns also exist regarding the impact of a new bus procurement policy on the Air Quality Management Plan and SCAG's Regional Transportation Plan. Staff have reviewed these plans and believe that further examination of bus emission impacts on regional plans is necessary.

Based on the issues discussed above, staff recommends that the existing AFI Policy remain in place at this time. Work must be undertaken to quantify the emission impacts of different bus technologies and how the cost differential of different bus technologies limits MTA's ability to maximize bus service.

Staff will consult with the environmental community, SCAG, and the South Coast Air Quality Management District to explore ways to most effectively study these issues and to develop recommendations for bus procurement policies that are sensitive to both environmental considerations and cost-effectiveness. During this consultation, staff will recommend that a study work scope be developed that could be implemented by a third party or through a professional peer review process to ensure the objectivity necessary to reach consensus on this complex issue. As no funds are available for this effort in MTA's FY '98 budget, staff will also seek grant funding from outside sources. Staff anticipates providing a report to the MTA Board in December once consultation has been completed and consensus is reached on a specific course of action.

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