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DIRECTOR SPECIAL ITEM

WILSON MOTION AS AMENDED BY COMMITTEE:

1. reaffirm its commitment to significantly improve the air quality in the region;
2. Direct the CEO to return in 30 days for Board approval with a detailed, performance-based "Bus Technology Policy" report, including but not limited to references to the appropriate regulations and technical data and including as its primary goal a plan to materially reduce the diesel carcinogenic particulate and other emissions generated by the Authority;
3. Direct the CEO to work with SCAG, Coalition for Clean Air, and the AQMD to review the Regional Transportation Plan and Air Quality Management Plan.

## MOTION BY DIRECTOR MEL WILSON

May 22, 1997

**Performance-Based Bus Technology Policy**

The MTA is facing a number of competing financial, strategic, and policy issues that mandate that the Board consider revising its current "Alternative Fuel Initiative" (AFI) policy for bus procurements. MTA staff has identified these issues to include:

- Capital (purchasing) cost
- Emissions
- Infrastructure requirements, cost, and related logistical issues
- Operating and maintenance (O&M) costs
- Reliability and related service impacts

The MTA Board must balance and weigh these issues and review whether the current AFI policy serves the best interests of the agency and its customers.

The AFI policy was adopted under conditions of continuing non-attainment in the South Coast air basin. At that time, current diesel buses did not meet emissions thresholds set by the South Coast Air Quality Management District (AQMD) and California Air Resources Board (CARB).

Based on this fact, the MTA purchased ethanol and methanol buses that were the only production buses that met emission standards. Later, compressed natural gas (CNG) buses also were introduced and purchased that met emission standards. As a result, the MTA became the leader in the development of an alternative fuel fleet. In addition, the MTA assumed the higher risk of a such a leadership position.

Today, over 300 methanol buses have demonstrated poor performance and reliability as well as high operating costs. CNG buses, which have replaced alcohol buses, are estimated to cost \$50,000 more per bus than current clean diesel buses. Also, MTA staff have identified increased O&M costs for CNG buses versus diesel buses, including CNG fueling infrastructure costs and engine rebuild costs.

The AFI policy also has financial impacts for the MTA. The AFI policy limits competition among bus manufacturers because it precludes certain companies from bidding due to prohibitions on certain bus (fuel) technologies. From a business perspective, the MTA is positioned to receive the lowest unit bus prices, regardless of technology, by adopting performance-based standards. This would mean that the MTA would consider any and all bids for buses that met current emission standards.

MOTION BY DIRECTOR MEL WILSON

May 22, 1997

Performance-Based Bus Technology Policy

While it is recognized that different fuel technologies have different emission profiles for criteria pollutants, the MTA Board must balance the cost of incremental improvements in air quality versus the ability to put more service on the street faster. The MTA's appropriate role as a transportation agency is to comply with local, state, and federal air quality regulations, not to set emission standards.

The MTA Board should not artificially constrain MTA staff by prohibiting certain bus (fuel) technologies. Instead, the Board should set performance standards consistent with current laws and regulations, encourage greater competition in bus procurement, and direct staff to buy buses that are economic as well as meet environmental standards. This new policy should not be construed to endorse nor impugn any specific bus technology; instead MTA staff must constantly evaluate available vehicles of all technology types and determine which buses meet current emission regulations and are the most economic to buy, operate, and maintain.

I THEREFORE MOVE THAT the Board:

1. Re-affirm its commitment to improving the air quality in the region;
2. Adopt a revised "Bus Technology Policy" that the MTA shall purchase buses that meet all current emission standards set by local, state, and federal regulatory agencies;
3. Direct the CEO to return in 30 days for Board approval with a detailed, performance-based "Bus Technology Policy" report, including but not limited to references to the appropriate regulations and technical data; and
4. Direct the CEO to work with SCAG and the AQMD to revise the Regional Transportation Plan and Air Quality Management Plan, respectively, to reflect the new Board policy.