

115TH CONGRESS  
2D SESSION

# S. 3720

To authorize the Secretary of Transportation to provide loans for the acquisition of electric buses and related infrastructure.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 6, 2018

Mr. MERKLEY (for himself, Ms. SMITH, Ms. CORTEZ MASTO, Mr. SANDERS, Mr. BOOKER, and Ms. HARRIS) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To authorize the Secretary of Transportation to provide loans for the acquisition of electric buses and related infrastructure.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Community Health  
5       and Clean Transit Act of 2018”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act—

8               (1) the term “covered loan” means a direct loan  
9       made by the Secretary under section 4;

1           (2) the term “electric bus” means a bus that is  
2 a zero emission vehicle (as defined in section  
3 5339(c)(1) of title 49, United States Code) that is  
4 fully battery-powered;

5           (3) the term “eligible entity” means an eligible  
6 recipient, as described in section 5339(a)(4) of title  
7 49, United States Code;

8           (4) the term “eligible project” has the meaning  
9 given the term in section 5339(c)(1) of title 49,  
10 United States Code, except that that definition shall  
11 be applied by substituting “electric buses” for “low  
12 or no emission vehicles”;

13           (5) the term “eligible project cost”—

14                 (A) means the cost of an eligible project;

15                 and

16                 (B) includes (and in the case of an eligible  
17 project described in clause (i), (ii), or (iii) of  
18 section 5339(c)(1)(B), means only)—

19                         (i) the incremental cost of acquiring  
20 an electric bus necessary to meet the needs  
21 of the eligible entity, as compared to the  
22 average cost of a diesel bus; and

23                         (ii) the cost of technical assistance for  
24 the acquisition, financing, and operation of  
25 an electric bus and related infrastructure,

1 including technical assistance for route  
2 electrification, technology selection, and ve-  
3 hicle-to-grid interfacing;

4 (6) the term “Secretary”, except as otherwise  
5 provided in this Act, means the Secretary of Trans-  
6 portation; and

7 (7) the term “subsidy amount” means the  
8 amount of budget authority sufficient to cover the  
9 estimated long-term cost to the Federal Government  
10 of a covered loan—

11 (A) calculated on a net present value basis;

12 and

13 (B) excluding administrative costs and any  
14 incidental effects on governmental receipts or  
15 outlays in accordance with the Federal Credit  
16 Reform Act of 1990 (2 U.S.C. 661 et seq.).

17 **SEC. 3. PURPOSE.**

18 The purpose of this Act is to help entities that pro-  
19 vide or finance public transportation to choose and be able  
20 to afford the best vehicles for their needs, and to achieve  
21 fuel and maintenance cost savings, by providing loans to  
22 eligible entities to acquire electric buses and related infra-  
23 structure.

1 **SEC. 4. AUTHORIZATION TO PROVIDE ASSISTANCE.**

2 The Secretary may make a direct loan to an eligible  
3 entity for eligible project costs.

4 **SEC. 5. APPLICATIONS.**

5 (a) IN GENERAL.—An eligible entity desiring a cov-  
6 ered loan shall submit to the Secretary an application  
7 that—

8 (1) includes an implementation plan for use of  
9 the covered loan;

10 (2) estimates the amounts the eligible entity  
11 will save on fuel and maintenance costs due to the  
12 covered loan; and

13 (3) provides reasonable assurance that the eligi-  
14 ble entity will make all payments on the covered  
15 loan.

16 (b) LINK TO LOW OR NO EMISSION BUS AND BUS  
17 FACILITIES GRANT APPLICATIONS.—The Secretary shall  
18 establish a procedure under which an eligible entity that  
19 submits an application under section 5339(c) of title 49,  
20 United States Code, for a grant relating to a low or no  
21 emission bus or bus facility may amend the application  
22 and be considered for a covered loan under this Act with-  
23 out having to submit a separate application under this sec-  
24 tion.

25 (c) GUIDANCE AND BEST PRACTICES.—Not later  
26 than 1 year after the date of enactment of this Act, the

1 Secretary of Energy, in consultation with the Secretary  
2 of Transportation, shall develop and publish on the  
3 website of the Department of Energy guidance on best  
4 practices for transit districts to enter into innovative rela-  
5 tionships with public utilities and bus manufacturers to  
6 incorporate into operations and financing of electric buses  
7 and infrastructure—

- 8 (1) secondary use of the battery;
- 9 (2) vehicle-to-grid integration;
- 10 (3) charging infrastructure cost shares; or
- 11 (4) battery performance guarantees.

12 **SEC. 6. TERMS AND CONDITIONS.**

13 (a) IN GENERAL.—A covered loan—

- 14 (1) shall not accrue interest; and
- 15 (2) shall be on such terms and conditions and  
16 contain such covenants, representations, warranties,  
17 and requirements (including requirements for au-  
18 dits) as the Secretary may prescribe.

19 (b) TERM OF LOAN.—The Secretary may provide a  
20 covered loan only if the final maturity date of the covered  
21 loan is not later than the date on which the electric bus  
22 acquired using the covered loan is expected to exceed its  
23 useful life, based on the average life expectancy of the elec-  
24 tric bus.

1 (c) BUY AMERICA.—Section 5323(j) of title 49,  
2 United States Code, shall apply with respect to a project  
3 funded using a covered loan in the same manner as to  
4 a project funded using amounts appropriated to carry out  
5 chapter 53 of such title 49.

6 (d) NON-FEDERAL SHARE FOR LOW-NO GRANTS.—  
7 The proceeds of a covered loan may be used for any non-  
8 Federal share of project costs required under section  
9 5339(c) of title 49, United States Code, if the covered loan  
10 is repayable from non-Federal funds.

11 **SEC. 7. REPAYMENT.**

12 (a) COMMENCEMENT.—Scheduled repayments of  
13 principal on a covered loan provided to an eligible entity  
14 shall commence not later than 180 days after the date on  
15 which the eligible entity places in revenue service the elec-  
16 tric bus and necessary infrastructure that were acquired  
17 using the covered loan.

18 (b) PREPAYMENT.—An eligible entity may make re-  
19 payments on a covered loan in advance of the scheduled  
20 repayment date with no penalty.

21 (c) DELINQUENCY.—Notwithstanding any other pro-  
22 vision of law, if an eligible entity fails to make a scheduled  
23 repayment on a covered loan, the Secretary may withhold  
24 from the eligible entity an equivalent amount of any assist-  
25 ance that would otherwise be provided to the eligible entity

1 under a formula grant program under chapter 53 of title  
2 49, United States Code.

3 **SEC. 8. AVAILABILITY OF FUNDS.**

4 Subject to the availability of funds and except as oth-  
5 erwise provided in this Act, amounts provided by the Sec-  
6 retary under this Act shall be available until expended.

7 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

8 (a) IN GENERAL.—There is authorized to be appro-  
9 priated \$15,000,000 for each of the first 5 fiscal years  
10 beginning after the date of enactment of this Act for the  
11 subsidy amount of covered loans.

12 (b) ADMINISTRATIVE COSTS.—There is authorized to  
13 be appropriated such sums as are necessary for the admin-  
14 istrative cost of providing covered loans.

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