

Testimony
U.S. Senate Committee on Banking, Housing and Urban Affairs
Energy, Natural Resources and Infrastructure Subcommittee
Senator Bennet - Chairman
Natural Gas Vehicles: Fueling American Jobs, Enhancing Energy Security, & Reducing Air Pollution
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By: Joseph A. Calabrese, CEO, General Manager/Secretary-Treasurer
Greater Cleveland Regional Transit Authority

My name is Joe Calabrese and I am the General Manager of the Greater Cleveland Regional Transit Authority (RTA). I have worked in the Public Transit Industry for over 35 years and have been in my current position for nearly 15 years.

Public Transit ridership is growing, and the projections are that it will continue to grow at an increasing rate. Our cities are growing in population. Our Senior Citizens are relying more and more on public transit in both urban and in rural areas, and our younger generations are much more public transit oriented than were their parents or even their grandparents.

Without public transit, an additional 4.2 billion gallons of gasoline would be burned annually throughout our nation.

The Greater Cleveland RTA is a multi-modal transit system providing heavy rail, light rail, BRT, buses and paratransit services, which provide needed mobility to approximately 200,000 customers on the typical weekday.

Approximately 63% of our customers use our services to get to work, with an additional 22% traveling to schools and universities.

As in many other cities, the use of public transit, and the appreciation for the important role transit plays, is growing. No city can function effectively without an effective public transit system. In Greater Cleveland, RTA "Connects the Dots".

If the first thing RTA is all about is mobility, the second is sustainability. In doing its day to day mission, RTA replaces 50,000 cars each weekday, along with the associated congestion and pollution.

That passion for sustainability is well ingrained in our day to day business practices as we move towards ISO 14001 certification.

I'm pleased to be here today to talk about two recent initiatives my agency has undertaken, both relating to clean alternative fuels.

RTA has 20 propane-powered 12-passenger paratransit vehicles, purchased in early 2014, after being modified by Roush Corporation. These cut-away vans, operating under a pilot project, travel approximately 150 miles each day transporting persons with disabilities to important appointments.

Although the capital cost of these vans was a slight premium over the cost of the diesel units they replaced, it is estimated that over their six-year life, RTA will save approximately \$16,000 per vehicle in fuel costs as compared to diesel.

Even better, over this same life cycle, each propane fueled bus will drastically reduce particulate matter and 20% of the NoX as compared to diesel. If this pilot is successful, we hope to replace our entire diesel paratransit fleet with propane.

For our big bus fleet, RTA has just received delivery of the first of 240 CNG powered buses awarded to Gillig Corporation. We hope to eventually replace our entire fleet of nearly 500 diesel buses with CNG.

Although the capital cost for CNG propulsion for these 40 foot buses was a \$40,000 premium each, it is estimated that over their 12-year life, RTA will save even more due to lower fuel costs.

Even better, while one diesel coach emits 107 tons of CO₂ annually, one CNG coach emits only 4 tons of CO₂ equivalent annually. With the first delivery of our 60 new buses, which we will receive next March, RTA will save 6,900 tons of emissions in the first year alone.

When the entire fleet is transitioned, the annual environmental savings is estimated to be over 41,000 tons.

For both of our projects, in addition to the increase in vehicle capital cost, was the investment in fueling infrastructure needed to make it all work. With stagnate (at best) Federal investments in transit, finding discretionary funds for the fueling infrastructure is difficult, and prohibitive in many cases.

The cost to design and construct the CNG fueling infrastructure needed to support our fleet will be between \$15 million and \$20 million.

So what is the good news?

- Alternative fuels burn much cleaner than diesel
- Using alternative fuels reduces our nation's dependence on foreign crude
- Using alternative fuels creates American jobs
- There is significant interest in many, especially fleet operators in using alternative fuels

So what are the problems?

- A major challenge to accelerating the deployment of Alternative Fuel buses is simply money to replace older buses with newer buses. In a recent Ohio Department of Transportation (ODOT) study, it was determined that between 2015 and 2025, over 3,000 buses would need to be replaced based upon current replacement schedules – that represents a great opportunity for Alternative Fuels. The problem is, as the study goes on to say, there are currently over 1,000 buses, or 1/3 the fleet that are being operated beyond their useful life due to lack of replacement funding.
- A second challenge of doing the right thing is that Alternative Fuel buses cost more money than their diesel counterparts.
- A third challenge, which may be the biggest of all, is the upfront costs associated with needed fueling infrastructure.

In RTA's case, we counted on the Alternative Fuels credit to make the financing work. With our entire fleet operating on CNG, our alternative tax credit of about \$1 million annually was projected to finance about 80% of the cost of the needed fueling infrastructure.

Transit systems have actually moved to alternative fuels in big numbers. Today, over 40% of the nation's buses operate on alternative fuels or blends, with over 20% operating on CNG or LNG.

For many, what made this possible was the alternative fuels credit.

For many other transit systems that are now considering the transition to alternative fuels, the continuation of the alternative tax credit may be the deal maker or deal breaker.

Therefore, I strongly request to help defray the increased costs associated with alternative fuels, and to continue the roll-out of clean fuel vehicles, that Congress move for the continuation of the Alternative Fuels Tax Credit.

I must also urge, at this time, a timely long-term fix for the Highway Trust Fund and the Mass Transit Account, which includes an increased investment for infrastructure state-of-good-repair and workforce development efforts.

Without a long term solution with predictable and dedicated funding, important projects that provide mobility to people and employ thousands of Americans, simply cannot happen.

Thank you for your consideration.