115TH CONGRESS
2D SESSION

S. 3720

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

IN THE SENATE OF THE UNITED STATES

DECEMBER 6, 2018

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

DECEMBER 20, 2018

Committee discharged; referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Community Health and Clean Transit Act of 2018’’.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term ‘‘covered loan’’ means a direct loan made by the Secretary under section 4;

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

(3) the term ‘‘eligible entity’’ means an eligible recipient, as described in section 5339(a)(4) of title 49, United States Code;

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

(5) the term ‘‘eligible project cost’’—

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

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

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

(ii) the cost of technical assistance for the acquisition, financing, and operation of an electric bus and related infrastructure, including technical assistance for route electrification, technology selection, and vehicle-to-grid interfacing;

(6) the term ‘‘Secretary’’, except as otherwise provided in this Act, means the Secretary of Transportation; and

(7) the term ‘‘subsidy amount’’ means the amount of budget authority sufficient to cover the estimated long-term cost to the Federal Government of a covered loan—

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

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

SEC. 3. PURPOSE.

The purpose of this Act is to help entities that provide or finance public transportation to choose and be able to afford the best vehicles for their needs, and to achieve fuel and maintenance cost savings, by providing loans to eligible entities to acquire electric buses and related infrastructure.

SEC. 4. AUTHORIZATION TO PROVIDE ASSISTANCE.

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

SEC. 5. APPLICATIONS.

(a) IN GENERAL.—An eligible entity desiring a covered loan shall submit to the Secretary an application that—

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

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

(3) provides reasonable assurance that the eligible entity will make all payments on the covered loan.

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

(c) GUIDANCE AND BEST PRACTICES.—Not later than 1 year after the date of enactment of this Act, the Secretary of Energy, in consultation with the Secretary of Transportation, shall develop and publish on the website of the Department of Energy guidance on best practices for transit districts to enter into innovative relationships with public utilities and bus manufacturers to incorporate into operations and financing of electric buses and infrastructure—

(1) secondary use of the battery;

(2) vehicle-to-grid integration;

(3) charging infrastructure cost shares; or

(4) battery performance guarantees.

SEC. 6. TERMS AND CONDITIONS.

(a) IN GENERAL.—A covered loan—

(1) shall not accrue interest; and

(2) shall be on such terms and conditions and contain such covenants, representations, warranties, and requirements (including requirements for audits) as the Secretary may prescribe.

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

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

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

SEC. 7. REPAYMENT.

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

(b) PREPAYMENT.—An eligible entity may make repayments on a covered loan in advance of the scheduled repayment date with no penalty.

(c) DELINQUENCY.—Notwithstanding any other provision of law, if an eligible entity fails to make a scheduled repayment on a covered loan, the Secretary may withhold from the eligible entity an equivalent amount of any assistance that would otherwise be provided to the eligible entity under a formula grant program under chapter 53 of title 49, United States Code.

SEC. 8. AVAILABILITY OF FUNDS.

Subject to the availability of funds and except as otherwise provided in this Act, amounts provided by the Secretary under this Act shall be available until expended.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated $15,000,000 for each of the first 5 fiscal years beginning after the date of enactment of this Act for the subsidy amount of covered loans.

(b) ADMINISTRATIVE COSTS.—There is authorized to be appropriated such sums as are necessary for the administrative cost of providing covered loans.

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