

116TH CONGRESS  
1ST SESSION

# S. 2403

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

JULY 31, 2019

Mr. MERKLEY (for himself, Mr. SANDERS, Ms. CORTEZ MASTO, Ms. SMITH, Ms. HARRIS, Mr. BOOKER, Mr. WYDEN, Mr. WHITEHOUSE, Mr. HEINRICH, Mrs. GILLIBRAND, and Mrs. MURRAY) introduced the following bill; which was read twice and 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.

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 2019”.

### 6 **SEC. 2. DEFINITIONS.**

7 In this Act—

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

3           (2) the term “electric bus” means a bus that is  
4           a zero emission vehicle (as defined in section  
5           5339(c)(1) of title 49, United States Code) that is  
6           fully battery-powered;

7           (3) the term “eligible entity” means an eligible  
8           recipient, as described in section 5339(a)(4) of title  
9           49, United States Code;

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

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

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

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

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

1 (ii) the cost of technical assistance for  
2 the acquisition, financing, and operation of  
3 an electric bus and related infrastructure,  
4 including technical assistance for route  
5 electrification, technology selection, and ve-  
6 hicle-to-grid interfacing;

7 (6) the term “Secretary”, except as otherwise  
8 provided, means the Secretary of Transportation;  
9 and

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

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

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

20 **SEC. 3. PURPOSE.**

21 The purpose of this Act is to help entities that pro-  
22 vide or finance public transportation to choose and be able  
23 to afford the best vehicles for their needs, and to achieve  
24 fuel and maintenance cost savings, by providing loans to

1 eligible entities to acquire electric buses and related infra-  
2 structure.

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

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

6 **SEC. 5. APPLICATIONS.**

7 (a) IN GENERAL.—Except as provided in subsection  
8 (b), an eligible entity desiring a covered loan shall submit  
9 to the Secretary an application that—

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

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

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

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

1 without having to submit a separate application under this  
2 section.

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

- 12 (1) secondary use of the battery;
- 13 (2) vehicle-to-grid integration;
- 14 (3) charging infrastructure cost shares; or
- 15 (4) battery performance guarantees.

16 **SEC. 6. TERMS AND CONDITIONS.**

17 (a) IN GENERAL.—A covered loan—

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

23 (b) TERM OF LOAN.—The Secretary may provide a  
24 covered loan only if the final maturity date of the covered  
25 loan is not later than the date on which the electric bus

1 acquired using the covered loan is expected to exceed its  
 2 useful life, based on the average life expectancy of the elec-  
 3 tric bus.

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

9 (d) NON-FEDERAL SHARE FOR LOW-NO GRANTS.—  
 10 The proceeds of a covered loan may be used for any non-  
 11 Federal share of project costs required under section  
 12 5339(c) of title 49, United States Code, if the covered loan  
 13 is repayable from non-Federal funds.

14 **SEC. 7. REPAYMENT.**

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

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

24 (c) DELINQUENCY.—Notwithstanding any other pro-  
 25 vision of law, if an eligible entity fails to make a scheduled

1 repayment on a covered loan, the Secretary may withhold  
2 from the eligible entity an equivalent amount of any assist-  
3 ance that would otherwise be provided to the eligible entity  
4 under a formula grant program under chapter 53 of title  
5 49, United States Code.

6 **SEC. 8. AVAILABILITY OF FUNDS.**

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

10 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

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

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

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