



BLUE BIRD

AIRPERMITS DIVISION
DEC 12 2016
RECEIVED

December 2, 2016

Anna Anderson
Texas Commission on Environmental Quality
12100 Park 35 Circle
Austin, Texas 78753

Re: Volkswagen Settlement Funds for Propane-Powered School Buses

Dear Anna,

On October 25, 2016, the U.S. Department of Justice entered into a partial settlement (the "Volkswagen Settlement Funds")¹ with Volkswagen as a result of the illegal use of "defeat devices" on more than 500,000 diesel automobiles sold in the U.S. since 2008. As a result, Texas will receive \$191,941,816.23, to be used to implement projects that reduce smog-forming nitrogen oxide ("NOx") emissions. This settlement represents a tremendous opportunity to accelerate the replacement of pre-emissioned diesel buses in Texas, especially in communities that have been disproportionately burdened by these vehicles. Many of the pre-emissioned diesel buses in operation are over 15 years old, with funding availability limiting school districts ability to replace them. NOx emission reductions are important for your state, given that residents of Texas are exposed to ozone pollution levels that exceed the EPA standard.²

As the President & CEO of Blue Bird,³ I write to recommend that the Texas Commission on Environmental Quality, as part of its potential role as Beneficiary, implement programs that increase the use of propane-powered school buses because they offer a cost-effective strategy to reduce NOx emissions and improve public health. With the assistance of our partners Ford, ROUSH CleanTech and a national network of Blue Bird dealerships, including Blue Star Bus Sales, Ltd. and Rush Bus Centers in your state, Blue Bird would like to support your efforts in developing your mitigation plan. We have a proven track record with propane school bus deployments, with over 9,500 Blue Bird propane-fueled buses operating in more than 650 school districts nationwide. Blue Bird is the undisputed leader in clean-air buses with over ten times the number of propane buses on the road today than all other manufacturers combined. Propane-powered school buses represent more than 20 percent of our sales and is the fastest growing segment in our industry. School districts across North America are choosing propane because it is clean, is best for our children and is affordable to own and operate.

Propane school buses offer a proven, cost-effective method to reduce NOx emissions and improve the health of your residents. With more than 500,000 school buses on the road every day, transporting more than 25 million children to and from school, school bus operations is the largest mass transit system in America. Therefore, allocating funds to the replacement of old school buses will have a major impact across the U.S. and in Texas. These cleaner buses reduce children's exposure to emissions that are associated with increased asthma emergencies, bronchitis, and school absenteeism, especially among asthmatic children.⁴ These vehicles are a

¹ United States, In Re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation. Order Granting the United States' Motion to Enter Proposed Amended Consent Decree, MDL No. 2372 CRB (JSC). <http://www.cand.uscourts.gov/crb/vwmdl>, October 25, 2016.

² "Green Book 8-Hour Ozone (2008) Area Information." U.S. Environmental Protection Agency. <https://www.epa.gov/green-book/green-book-8-hour-ozone-2008-area-information>.

³ Blue Bird is recognized as an industry leader of for school bus innovation and is the market leader in alternative fuel applications with its propane-powered and compressed natural gas-powered school buses.

⁴ Adar, S. et al. "Adopting Clean Fuels and Technologies on School Buses. Pollution and Health Impacts in Children." ATS Journals, Volume 191, Issue 12. <http://www.atsjournals.org/doi/abs/10.1164/rccm.201410-1924OC#.WA-HINUrJhE>, June 15, 2015.

safe transportation solution because propane is non-toxic, non-carcinogenic and non-corrosive, and because the fuel systems are closed loop with fuel tanks are 20 times more puncture-resistant than gasoline or diesel tanks.⁵

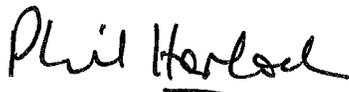
Propane-powered school buses are much cleaner than the cleanest diesel school buses. Compared with the cleanest diesel school buses, propane school buses emit 60 percent fewer NOx emissions, 80 percent fewer smog-producing hydrocarbons, and provide a 100 percent reduction in diesel particulates.⁶ In addition, every school bus in operation keeps 36 cars⁷ off the road, reducing rush hour traffic and the additional emissions created by these vehicles.

Propane achieves these environmental benefits without expensive after-treatment exhaust systems, which require costly maintenance upkeep, making propane school buses a smart investment. Compared with diesel buses, propane school buses can reduce per-bus costs by \$3,000 annually, representing a nearly 50 percent reduction in the operating cost per mile⁸. With the lowest total cost of ownership of any other fuel type, propane allows more funds to be directly invested into classrooms. Propane school buses can thus support the Texas Commission on Environmental Quality's efforts to achieve cost-effective NOx emissions reductions.

Blue Bird would like to work with you and your team to ensure the most cost-effective and environmentally beneficial use of Texas' Volkswagen Settlement Funds. Toward that end, we request a phone or in-person meeting with the most appropriate member of your staff to discuss the opportunity to use a portion of the Volkswagen Settlement Funds to replace pre-emissioned diesel buses with propane powered school buses in Texas.

Thank you for considering our request. We look forward to continued dialogue with you and your team and to a future collaboration that will help Texas meet its air quality goals.

Sincerely,



Phil Horlock
President & CEO
Blue Bird Corporation
Direct: 478-822-2130

⁵ "Propane Autogas – Safe and Reliable." Blue Bird. <https://www.blue-bird.com/blue-bird/Propane-is-safe.aspx>.

⁶ Data generated from ROUSH CleanTech's certification testing

⁷ American School Bus Council <http://www.americanschoolbuscouncil.org/issues/environmental-benefits>

⁸ "Case Study – Propane School Bus Fleets." U.S. Department of Energy, Energy Efficiency & Renewable Energy, August 2014. <http://www.afdc.energy.gov/uploads/publication/case-study-propane-school-bus-fleets.pdf>, page 4.