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April 17, 2025

Dear Co-Chairs Gorsek and McLain, Vice Chairs Boshart-Davis and Starr, and Members of the Joint Committee on Transportation

My name is Mollie Blagg, and I am the President of Western Bus Sales, Inc., based in Boring, Oregon. We have proudly served as the Oregon school bus dealer for Blue Bird for over 52 years. Blue Bird is a national leader in electric school bus technology, and we were honored to deliver the first electric school buses in Oregon to the Beaverton School District in 2021. We support the transition to cleaner fleets and believe that zero-emission vehicles (ZEVs) can play a valuable role in that effort.

After listening to the public hearing on April 15th, I was struck by how many of the comments came from individuals or organizations not directly involved in Oregon's school bus transportation system. That system includes public school district transportation departments, school bus contractors, and even private schools and Head Starts, all of which must follow Oregon's school bus standards. Legislation like this will undoubtedly impact all of them.

In response to the -1 amendment and the testimony presented, I would like to share the following observations and questions:

- **The exemption pathways outlined in the -1 amendment are too narrow** and do not account for the diverse operational needs of school bus fleets. While electric bus technology has advanced significantly since 2020, it is not yet a reliable solution for all school transportation use cases.
- **Accurately calculating total cost of ownership (TCO) is highly complex and inconsistent.** There is no mandatory bus retirement age in Oregon—it varies widely by district. We've worked extensively with districts to calculate TCO, and we've found that a one-size-fits-all approach simply doesn't work. Will the proposed TCO comparison include infrastructure costs, which are unique to ZEVs and not required for other fuel types?
- **Clarification is needed for language on page 7, lines 26–27.** What qualifies as “comparable”? Must it be the same vehicle type, model, capacity, and design? Same manufacturer? What constitutes “not available”? Since most buses are custom-ordered, is availability based on stock or broader market presence? This language could lead to inconsistent interpretations.
- **Private schools and Head Start programs operate school buses under Oregon standards.** If they are subject to these new requirements, will they also have access to the Zero-Emission School Bus Assistance Fund? What about school bus contractors? How will access to funding be structured and prioritized?

- Oregon is a national leader in propane school bus adoption, with more than 700 propane buses sold across the state since 2009—mostly without purchase incentives. These buses already meet the strict HD Omnibus NOx standards. Future amendments should support continued propane use as part of the state’s clean transportation strategy.

As a school bus dealer, we’re on the front lines helping school districts understand and comply with a growing web of state and federal policies. Currently, we are navigating the following developments:

- **Advanced Clean Trucks Rule**
 - Effective in 2025, currently undergoing proposed amendments in Oregon, while also facing challenges at the federal level.
 - If unchanged, manufacturers will be required to increase ZEV offerings, driving more electric school bus sales into Oregon.
- **HD NOx Omnibus Rule**
 - Also under proposed amendments in Oregon to delay implementation until 2026, and similarly challenged federally.
- **EPA Clean School Bus Program (Electric and Propane)**
 - Federal grants and rebates were frozen after bus orders were placed, creating serious uncertainty around budgets and delivery timelines.
- **IRS Commercial Clean Vehicle Credit**
 - A \$40,000 tax credit available in 2024 for electric school buses. Its future is now uncertain following Executive Orders from the Trump Administration.
- **Tariffs**
 - Recent tariffs on steel, aluminum, and various components have triggered unforeseen cost increases that school districts were unprepared for.

As you can see, school districts already face substantial uncertainty related to vehicle regulations, funding, and pricing. Based on the first few months of the Trump Administration, we are not optimistic that consistent federal support will be available to help offset the high upfront cost of ZEVs. To date, most of the 81 electric school buses operating in Oregon were funded through federal EPA programs—support that may not continue.

Recommendations

I urge the Committee to consider the following changes to the proposed legislation:

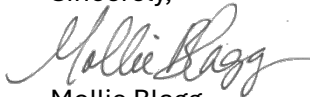
1. **Remove language prohibiting the purchase of diesel buses** based on TCO comparisons with ZEVs, and eliminate the related exemption language.
 - TCO is not a reliable or consistent metric for decision-making.
 - The Advanced Clean Trucks Rule already ensures the increasing adoption of ZEVs—what’s needed now is funding to support the transition.
2. **Ensure equal access to ZEV funding** for all school districts, whether they operate their own fleets or use contractors.

3. **Preserve the option for school districts to continue purchasing propane-powered buses**, given their proven emissions benefits and broad adoption in Oregon.
4. **Establish and fund the Zero-Emission School Bus Assistance Fund** with annual appropriations of at least \$20 million.
 - o Funding should cover the incremental cost difference between diesel and electric buses.

As a company that has already invested in, and successfully deployed, electric school buses in Oregon, we understand both the promise and the challenges. We are committed to cleaner student transportation—but we also recognize the practical needs of the school districts that serve every corner of this state.

Thank you for your time and for your commitment to advancing clean and effective transportation solutions for Oregon students.

Sincerely,

A handwritten signature in cursive script, reading "Mollie Blagg".

Mollie Blagg
President

Oregon School Districts we have partnered with on ZERO-EMISSION SCHOOL BUSES:

- Beaverton School District
- Reynolds School District
- Salem-Keizer School District
- Hillsboro School District
- Tigard-Tualatin School District
- Family Building Blocks (Head Start)
- Corbett School District (not yet in service)
- Lake Oswego School District (not yet in service)

Oregon School Districts we have partnered with on PROPANE-POWERED SCHOOL BUSES:

