

United States Senate

WASHINGTON, DC 20510

December 22, 2008

The Honorable Robert C. Byrd
Chairman
Committee on Appropriations
Washington, DC 20510

The Honorable Thad Cochran
Ranking Member
Committee on Appropriations
Washington, DC 20510

Dear Senators Byrd and Cochran:

We are writing to urge you to include funding for the Diesel Emissions Reductions Act (“DERA”) in the proposed Fiscal Stimulus Package. This funding will immediately achieve three critical policy goals: create jobs, reduce diesel emissions that threaten human health, and reduce black carbon emissions that contribute to global warming.

DERA was enacted as the Energy Policy Act of 2005 with overwhelming bi-partisan support. It passed by a vote of 92 to 1 in the Senate. Its purpose was to provide funding at \$1 billion over five years to finance the installation of retrofits on existing heavy-duty diesel vehicles and engines, thereby reducing their harmful emissions by as much as 90 percent. There are 11 million such vehicles and engines in use today.

Unfortunately, Congress has not appropriated funds for DERA at a level that keeps pace with the program’s needs. DERA was authorized for \$600 million between FY06-FY08, but only \$50 million of these funds have been appropriated, despite the fact that states are clamoring for funds and are ready to put them to use immediately.

Including additional money for this program in the stimulus will drive significant job creation and economic growth. If funded at \$550 million and leveraged by EPA with State and private resources which has been the practice in the past, this stimulus could generate more than \$1 billion in additional investment in retrofit equipment. This, in turn, would save or create over 19,000 jobs and generate over \$3 billion in additional economic output. The estimates were derived from a study supported by the DERA Coalition, an organization that includes both environmental groups and industry.

These economic benefits can be quickly realized for three reasons. First, the administrative framework to implement the program is already in place at the EPA. Second, EPA has \$116 million in unfunded applications for grants from FY08 that can be immediately funded (i.e., EPA has \$116 million in grant applications for FY08 that will not be funded unless funds are appropriated in the fiscal stimulus). And third, the industry has excess capacity that can be readily activated. Firms and workers that manufacture and install the equipment are being idled by the economic downturn.

This initiative would also generate significant environmental benefits by reducing diesel emissions, the primary airborne threat to human health and potentially a potent global warming agent. The global warming benefit associated with DERA is witnessed by recent

research which shows that black carbon may be more twice as potent as carbon dioxide as a global warming agent. Reducing black carbon generated by diesel exhaust may be one of the most significant actions that can be taken in the short term to address global warming.

At a time when our country is looking for ways to create jobs and clean the environment, DERA stands out as a prime example of a program that works. EPA has estimated that for every dollar spent in the DERA program, more than \$13 of economic and health benefits are generated. As such, we urge you to provide funding for DERA in the Fiscal Stimulus Package. Funding this program will save and create jobs and significantly improve our nation's air quality.

Sincerely,

Thomas R. Carper

Hillary Rodham Clinton

George V. Voinovich

James M. Inhofe

John F. Kerry

Barbara Boxer

Debbie Stabenow

Susan M. Collins

John Dingens

Chuck Sch