

October 3, 2007

The Honorable George W. Bush
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Bush:

As a uniquely broad coalition of environmental, science-based, public health, industry, and state and local governmental groups, we request support in your Fiscal Year 2009 (FY09) budget for two important environmental programs. We urge full funding (\$200 million) for the Diesel Emissions Reduction Act (DERA) and \$270.3 million for state and local air quality grants.

Diesel-powered vehicles and equipment play an important role in the nation's economy and are getting cleaner every day. The Administration has developed programs to help address emissions from the estimated 11 million existing diesel engines in the legacy fleet that are not affected by the stringent emissions standards for new clean diesel engines. DERA, as authorized by the Energy Policy Act of 2005, is designed to provide significant emissions reductions from these existing engines whether publicly or privately owned. We request that you provide full funding for DERA and consolidate the other clean diesel programs, including the Clean School Bus USA Program, Diesel Truck Retrofit and Fleet Modernization Program, Engine Idling Reduction Program and National Clean Diesel Campaign, with the intent that they be carried out as authorized within DERA. We also urge that these funds not be limited to nonattainment areas.

This investment is needed and fiscally responsible, yielding one of the greatest cost-benefit ratios of any federal program, according to the Office of Management and Budget's calculations. It will go a long way toward helping states and localities meet the nation's clean air standards by encouraging the use of cost-effective emissions reduction strategies. Furthermore, similar to existing federal and state programs, the federal contribution will likely be dwarfed by the funding leveraged from other sources.

In past budgets, funding for the DERA program has been placed under the State and Tribal Assistance Grants (STAG) account in the budget of the U.S. Environmental Protection Agency (EPA). Since DERA requires that 70 percent of the appropriated funds be distributed by EPA and not state and local governments, we recommend that this program be funded through an EPA account other than STAG.

Additionally, we urge you to address the availability of Supplemental Environmental Project (SEP) funding in federal enforcement settlements to support diesel retrofits. A 2006 EPA memo put forth a new policy that diesel retrofits no longer qualify for SEP funding once Congress appropriates funds for DERA. While full funding of DERA is needed, EPA estimates that much more is required to finish the job. SEP funding is an effective way to improve air quality around the country without impacting the

Letter to President Bush
October 3, 2007
Page Two

Treasury. More than \$60 million in diesel retrofit projects have been funded over the past few years through SEPs. With this in mind, we urge you to include language in your FY09 budget to clarify that SEP funds can continue to be used on diesel retrofit projects.

The second critical component of our request is that you increase funding for state and local air quality grants to \$270.3 million, a \$50-million increase above the FY06 appropriated level of \$220.3 million. State and local governments hold primary responsibility for preventing and controlling air pollution and rely on these grants to carry out their core obligations under the Clean Air Act, including monitoring air quality, assessing emissions impacts, permitting and inspecting sources and enforcing laws and regulations.

We urge increased grants because state and local air quality agencies are straining to maintain existing programs and address increasing responsibilities – such as developing State Implementation Plans to attain and maintain National Ambient Air Quality Standards, implementing clean air rules, and addressing toxic air pollutants. At the same time, federal grants for these programs have decreased by approximately one-third in terms of purchasing power over the last 15 years. Recognizing that resources are limited, we are requesting a fraction of the amount that is needed by these agencies, which are responsible for attaining and maintaining clean, healthful air.

States and localities and environmental, health, user and industry groups all support greater funding for diesel retrofits because it is sound environmental, economic and budgetary policy. We urge you to provide full funding for DERA, clarify SEP language in your FY09 budget and administer the program through an EPA account other than STAG. Similarly, we request that state and local air quality grants be funded at \$270.3 million because these grants are vital to achieve and sustain clean air and protect public health across the nation.

Sincerely,

Accurate Tank Construction, Inc.
Accurate Tank Technologies
Addressing Asthma in Englewood Project
Advocate Health Care
African American Health Council
Albany Port District Commission
Alternatives for Community and Environment (ACE)
Amalgamated Transit Union #416
Amalgamated Transit Union, Local 448 AFL-CIO
American Association of Port Authorities (AAPA)
American Bottom Conservancy
American Cancer Society (Illinois)
American Lung Association
American Lung Association - Southeast Region
American Lung Association of Delaware
American Lung Association of Illinois – Greater Chicago
American Lung Association of Iowa
American Lung Association of Minnesota

American Lung Association of New Jersey
American Lung Association of New York State, Inc.
American Lung Association of North Carolina
American Lung Association of North Dakota
American Lung Association of Pennsylvania
American Lung Association of Rhode Island
American Lung Association of South Dakota
American Lung Association of Tennessee
American Lung Association of the Upper Midwest
(ALAUM)
American Lung Association of West Virginia
American Lung Association of Wisconsin
American Road and Transportation Builders Association
Asian Health Coalition
Associated General Contractors of America (AGC)
Association of Equipment Manufacturers
Austin Physicians for Social Responsibility (PSR)
Autotherm Division Enthel Systems Inc.

Letter to President Bush
October 3, 2007
Page Three

Back of the Yards Neighborhood Council
BASF Catalyst LLC
Beck Bus Transportation
Bell Associates International LLC
Broward County, Florida
California Air Pollution Control Officers Association
(CAPCOA)
Carolinas Clean Air Coalition
Caterpillar Inc.
Center for Neighborhood Technology
Center for Toxicology and Environmental Health, LLC
Central Indiana Clean Cities Alliance, Inc.
Centro Comunitario de Juan Diego
Chelsea Creek Action Group
Chelsea Green Space Recreation Committee
Chicago Asthma Consortium
Chicago Chapter of the Coalition of Labor Women
Chicagoland Bicycle Federation
Citizen Action - Illinois
Citizens Campaign for the Environment (NY)
Citizens for Pennsylvania's Future (PennFuture)
Clean Air Board of Central Pennsylvania
Clean Air Coalition of Harvey, Illinois
Clean Air Council, PA
Clean Air Task Force (CATF)
Clean Air Watch
Clean Diesel Technologies, Inc.
Clean Fuels Ohio
Clean Water Action - Connecticut
Clean Water Action - Pennsylvania
Clean Water Action - Rhode Island
Clean Water Action Alliance of Massachusetts
Clean Water Action of Texas
Community Bus Services, Inc
Computer Planning Associates, Inc. (Flourtown, PA)
Connecticut Coalition for Environmental Justice
Connecticut Sierra Club
Corning Incorporated
CSX
Cummins Inc.
Cummins NPower
Deere & Company
Dell Transportation
Detroit Diesel Corporation
Diesel Technology Forum (DTF)
Donaldson Company
Dorchester Environmental Health Coalition (DEHC)
Dousman Transport Company, Inc.
Durham School Services LLC
Dynamic Fuel Systems, Inc.
Earth Day Coalition's Clean Fuels Program
Eaton Corporation
Ecological Health Organization, Inc. (ECHO)
Elmwood Community Center (Providence, RI)
Emissions Control Technology Association (ECTA)
Emisstar LLC
Engine Control Systems Limited
Engine Manufacturers Association (EMA)
Environment Georgia
Environment Illinois
Environment Massachusetts
Environment North Carolina
Environment Northeast
Environment Ohio
Environment Texas
Environmental Concerns Coalition
Environmental Defense
Environmental Futurists at Southern Connecticut State
University
Environmental Health Watch (OH)
Environmental Law and Policy Center
Environmental Research Foundation
Essex County Environmental Commission
Extengine Transport Systems, LLC
Faith in Place
Farm Fresh Express
Foresight Design Initiative
Freightliner
Friends of the Moshassuck (RI)
GA ACORN
Georgia Coalition for the Peoples' Agenda
Georgia Conservancy
Georgia Kids Against Pollution
Greater Four Corners Action Coalition (GFCAC)
Green Environmental Coalition
Green Party of RI
GreenFaith
GreenLaw
Group Against Smog and Pollution (Pittsburgh, PA)
Health & Environmental Justice - St. Louis
Healthcare Consortium of Illinois
Healthy Chicago Lawn Coalition
Healthy Schools Campaign
Healthy Southeast Chicago Coalition
Hendrickson Bus Corporation
Hollywood North Park Community Association
Human Action Community Organization
Huntington Coach Corporation
Illinois Environmental Council
Illinois League of Conservation Voters

Letter to President Bush

October 3, 2007

Page Four

Illinois Maternal & Child Health Coalition
Illinois Parent Teacher Association
Illinois Public Interest Research Group (PIRG)
Illinois School Transportation Association
Imagine Englewood if
Inland Detroit Diesel-Allison, Inc
International Black Women's Congress, New Jersey
Chapter
Izaak Walton League of America (Midwest Office)
Johnson Matthey, Inc
La Rabida Children's Hospital
Langford Inc.
Little Village Environmental Justice Organization
Manufacturers of Emission Controls Association (MECA)
Massachusetts Port Authority
McKinley Park Civic Association
Metro Seniors in Action
Metropolitan Chicago Healthcare Council
Metropolitan Mayors Caucus -- Clean Air Counts
Campaign
Mid-Ohio Regional Planning Commission (MORPC)
Minnesota School Bus Operators Association
Missouri Coalition for the Environment
Mobile C.A.R.E. Foundation
Mothers and Others for Clean Air (GA)
National Association for Pupil Transportation (NAPT)
National Association of Clean Air Agencies (NACAA)
National Association of State Directors of Pupil
Transportation Services
National Association of Waterfront Employers (NAWE)
National Conference of State Legislatures
National School Transportation Association
Natural Resources Defense Council (NRDC)
Navistar International Corp
Neighborhood of Affordable Housing (NOAH)
New Jersey Environmental Federation
New Jersey Environmental Justice Alliance
New Jersey Work Environment Council
NGK Automotive Ceramics USA, Inc.
North Carolina State Port Authority
Northeast States for Coordinated Air Use Management
(NESCAUM)
Nuestras Raices
Oak Park Department of Public Health
Oak Park Environmental and Energy Advisory
Commission
Ocean State Action (RI)
Ohio Bus Association
Ohio Contractors Association
Ohio Environmental Council
Ohio League of Conservation Voters

Ohio Manufacturers Association
Oregon Environmental Council
Pawtucket Alliance for Downtown Success (PADS) (RI)
Pennsylvania Council of Churches
Pennsylvania School Bus Association
People for Community Recovery
Pilsen Environmental Rights & Reform Organization
Pioneer Valley Community Environmental Health
Coalition
Pittsburgh Region Clean Cities
Port of Long Beach
Port of San Francisco
Port of Seattle
Port of Tacoma
Portland Clean Energy Taskforce
Public Citizen -- Texas Office
Public Health Institute of Metropolitan Chicago
Puget Sound Clean Air Agency
Purem NA LLC
Questink Urban Environmental Institute
Regional Air Pollution Control Agency
Renewable Energy Long Island (RELI)
Respiratory Health Association of Metropolitan Chicago
Rhode Island Committee on Occupational Safety and
Health (RICOSH)
Rhode Island Parent Teachers Association (RI PTA)
Rhode Island Society for Respiratory Care
RICHTER Foundation
RiverQuest (formerly Pittsburgh Voyager)
Robert Bosch LLC
Rogers Park Community Action Network
Sacramento Metropolitan Air Quality Management
District
San Luis Obispo County Air Pollution Control District
Scholastic Bus Company, NY
School Bus, Inc.
Shurepower, LLC
Sierra Club --- Allegheny Group
South Austin Community Coalition
South Shore Clean Cities
Southeast Environmental Task Force
Southern Alliance for Clean Energy
Southern Environmental Law Center
Southwest Clean Air Agency
Steel City Biofuels
Student Bus Company
Styline Logistics
Sunrise Transportation
Sustainable Energy and Economic Development (SEED)
Coalition
Team Work Englewood

Letter to President Bush
October 3, 2007
Page Five

Tenneco Automotive
Tennessee Department of Environment and Conservation
Texas Campaign for the Environment
Texas Center for Policy Studies (TCPS)
The Center for the Celebration of Creation (Philadelphia,
PA)
Connecticut Youth Activist Network
Great Land Conservation Trust
The Kent Environmental Council
The Mayor's Health Task Force (Lawrence, MA)
The Northeast Ohio Clean Fuels Program
The Port Authority of New York & New Jersey
Thomas Built Buses, Inc.

Transit Union Local 732 (GA)
Turner Environmental Law Clinic -- Emory University
School of Law
Umicore Autocat USA Inc.
Union of Concerned Scientists
United Motorcoach Association
United States Chamber of Commerce
Virginia Port Authority
Voices for Illinois Children
WE ACT for Environmental Justice, Inc. (WE ACT)
West District Health Council
Wisconsin Clean Cities - Southeast Area, Inc.
Wisconsin Department of Natural Resources

Cc: Stephen Johnson, Administrator, Environmental Protection Agency
Jim Nussle, Director, Office of Management and Budget