

December 11, 2009

The Honorable Richard J. Durbin
309 Hart Senate Office Building
Washington, DC 20510

The Honorable Byron L. Dorgan
322 Hart Senate Office Building
Washington, DC 20510

Dear Senators Dorgan and Durbin,

We are writing to urge you to include funding for the Diesel Emissions Reductions Act (“DERA”) in the potential legislation to spur job growth. At a time when our country is looking for ways to quickly create jobs and clean the environment, DERA stands out as a prime example of a program that works.

DERA was enacted in 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 authorize funding 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 approximately 11 million such vehicles and engines in use today.

Since enactment, DERA has been successful from an economic and public health perspective. The EPA has estimated that for every dollar spent in the DERA program, more than \$13 of economic and health benefits are generated. Every state in the nation now has a diesel retrofit program and can use DERA funding

Unfortunately, Congress has not appropriated funds for DERA at levels that keeps pace with the program’s needs. DERA was authorized for \$1 billion between FY06-FY10, but only \$470 million of these funds have been appropriated (including funding from the American Recovery and Reinvestment Act of 2009) despite the fact that states are clamoring for funds and are ready to put them to use immediately.

We believe funding for DERA in the potential jobs package will drive significant job creation and economic growth. A study supported by the DERA Coalition, an organization that includes both environmental groups and industry, estimates that a \$1 billion investment in DERA will save or create over 19,000 jobs and generate over \$3 billion in additional economic output. The economic benefits are likely to be greatest in the autoparts manufacturing and heavy-duty truck manufacturing sectors, which have sustained job losses at nearly 9-times and 7-times the national rate. DERA investments also sustain jobs not only in the manufacturing sector, but also throughout the supply chain.

The EPA has shown it can distribute DERA funding quickly. In the American Recovery and Reinvestment Act of 2009, Congress funded DERA at \$300 million and EPA was able

to distribute all the funding by September 2009. The EPA anticipates that the DERA grant recipients will have expended up to 50% of the funds by April/June 2010, and up to 100% of the funds by late fall of 2010.

The EPA has also seen a great need for additional funding. In the past year, the EPA received over 600 applications totaling nearly \$2 billion in requests and over \$2 billion in matching funds. The EPA estimates approximately 60% of the remaining unawarded applications, totaling approximately \$1 billion in federal funds requested, are of good quality and would establish excellent clean diesel programs across the country.

Beyond the economic benefits, funding for DERA would also generate significant environmental benefits. Diesel emissions can contribute to serious respiratory and cardiovascular problems, even death. Diesel emissions are also potentially a potent global warming agent and reducing diesel emissions may be one of the most significant actions we can take in the short term to address global warming.

As such, we urge you to provide funding for DERA in the potential jobs package. Funding this program is a win-win, we will save and create jobs and significantly improve our nation's air quality.

Sincerely,
