

Diesel Emission Reduction Act (DERA) Coalition

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March 14, 2019

Chairwoman Nita Lowey
The Capitol, H-307
Washington, DC 20515

Ranking Member Kay Granger
The Capitol, H-307
Washington, DC 20515

Chairwoman Betty McCollum
2007 Rayburn House Office Building
Washington, DC 20515

Ranking Member David Joyce
2007 Rayburn House Office Building
Washington, DC 20515

Dear Chairwoman Lowey and Ranking Member Granger, Chairwoman McCollum and Ranking Member Joyce:

As part of a uniquely broad coalition of interests committed to clean air, we want to express our appreciation for your support for additional appropriations for the Diesel Emissions Reduction Act (DERA) program as reflected again in the most recently passed Consolidated Appropriations Act for FY2019. That legislation increased funding for this highly cost effective and enormously successful program from \$75 million in FY18 to \$87 million in FY19, the fifth fiscal year in a row that funding has been increased for the program. As we indicated in our letter last year, we believe additional capacity exists to improve air quality by advancing technology that significantly reduces emissions from older heavy-duty diesel vehicles and equipment which would be retired. Because EPA and the states can do more, we respectfully request your support for a further increase in appropriations for this worthwhile program which would be in line with the last authorization level of \$100 million. In addition, we would point out that the level of funding provided for the program overall is less than two-thirds of the total amount authorized by Congress.

Congress increased funding for the program this year by 16 percent over FY18. A similar percentage increase in FY20 would bring us to the most recent target authorization level of \$100 million. There continues to be a great deal of demand for DERA funding in communities across the country, and the program could easily accommodate that level of funding.

Since implementation, DERA has become one of the most cost-effective federal clean air programs. EPA's most recent estimates are that every \$1 in federal assistance is met with another \$3 in non-federal matching funds, including significant investments from the private sector, and every federal dollar generates between \$5 to \$21 in health and economic benefits. States benefit because 30 percent of the funding goes to support state programs. We understand that EPA is working on its fourth report to Congress and we believe it will show the continuing value of this program which provides an important tool to allow EPA and communities around the country to meet their Clean Air goals in the most cost-effective manner possible.

DERA provides grants and rebates to incentivize equipment and vehicle owners to install retrofit technologies on existing heavy-duty diesel vehicles and engines, or replace engines and equipment, reducing

emissions by often more than 90 percent. EPA's most recent estimates were completed in 2016 and reflect only the first five years of the program. Even with this limited sampling the positive results were impressive. EPA estimated that from 2009 to 2013 the program upgraded nearly 73,000 vehicles or pieces of equipment and saved over 450 million gallons of fuel. In that report, EPA estimated that total lifetime emission reductions achieved through DERA funding include 14,700 tons of particulate matter (PM) and 335,200 tons of oxides of nitrogen (NOX). According to EPA, these emission reductions yielded up to \$12.6 billion in estimated health benefits. Significant funding since then continues to add to these totals, reflective of significant progress that continues to be made. In short, the program continues to help improve air quality at the nation's schools, construction sites, highways, railyards and ports. Further, because of the long-lived nature of diesel vehicles and equipment, particularly heavy duty off road equipment, more than two thirds of the legacy fleet in the U.S. still does not meet the most current emission reduction standards adopted in 2010 or later even though they met the standards in effect when the equipment was sold.

Because the DERA program goes hand in glove with effective state and local air programs, the DERA Coalition also urges that funding for DERA not come at the expense of critical funding for state and local air quality grants. 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, developing comprehensive state implementation plans, permitting and inspecting sources, enforcing laws and regulations, and conducting public education and outreach.

The DERA voluntary program has enjoyed overwhelming bipartisan support in the Committee and in Congress generally and we are hopeful of similar support this year as well. It has adopted many cost saving administrative practices, such as the inclusion of a rebate program applicable to school buses and construction equipment that speed the delivery of program funds with a minimum amount of red tape. The program effectively cleans our air and provides high paying domestic jobs that underpin employment in innovative industries. It is a true win-win-win. Accordingly, we respectfully request \$100 million in funding for FY 2020.

Thank you for your consideration.

Sincerely,

**Advanced Engine Systems Institute - American Association of Port Authorities
American Lung Association - American Highway Users Alliance - American Power Group
American Trucking Associations - Associated General Contractors of America
Association of American Railroads – Blue Bird Corporation - Caterpillar Inc.
Clean Air Task Force - Corning Incorporated - Cummins Inc. - Diesel Technology Forum
Emission Control Technology Association – Environmental Defense Fund - IC Bus
Manufacturers of Emission Controls Association - NAFA Fleet Management Association National
Association of State Directors of Pupil Transportation Services
National School Transportation Association - New York School Bus Contractors Association
South Coast Air Quality Management District – The Lion Electric Co. - Thomas Built Buses
Truck and Engine Manufacturers Association - Umicore Autocat, Inc.
United Motorcoach Association – Volvo Group North America**