

March 21, 2017

The Honorable Thad Cochran
Chairman
Senate Committee on Appropriations
113 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patrick Leahy
Ranking Member
Senate Committee on Appropriations
437 Russell Senate Office Building
Washington, DC 20510

The Honorable Lisa Murkowski
Chairman
Appropriations Subcommittee on Interior,
Environment and Related Agencies
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Tom Udall
Ranking Member
Appropriations Subcommittee on Interior,
Environment and Related Agencies
531 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Cochran, Ranking Member Leahy, Chairman Murkowski, and Ranking Member Udall:

As part of a uniquely broad coalition of interests, we would like to express our deep appreciation for your leadership in securing additional appropriations for the Diesel Emissions Reduction Act (DERA) program and for state and local air quality grant programs. Vast opportunities remain to reduce diesel emissions through the DERA program – we respectfully request your continued support for DERA by appropriating at a level more in line with the full authorization level of \$100 million.

The DERA program is currently funded under the FY 2017 Continuing Resolution at \$50 million, the same level as in FY 2016. However, we are hopeful that final resolution of the FY 2017 funding levels will provide the \$100 million level as provided in the House-passed bill. The program enjoys strong support around the country and could easily accommodate spending at that level in both FY 2017 and 2018.

EPA estimates every \$1 in federal assistance is met with another \$3 in non-federal matching funds, including significant investments from the private sector, and generates \$5 to \$21 in health and economic benefits. Every state benefits because 30 percent of the funding goes to support state programs which each state has established. The program is voluntary and 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 underpins employment in innovative industries. It is a true win-win-win.

DERA provides funding 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 as much as 90 percent. DERA has enjoyed overwhelming bipartisan support in the past and we are hopeful of such support this year as well. Since implementation, DERA has become one of the most cost-effective federal clean air programs.

EPA's most recent estimates indicate that the program has upgraded nearly 73,000 vehicles or pieces of equipment, and saved over 450 million gallons of fuel. EPA estimates that total lifetime emission reductions achieved through DERA funding are 14,700 tons of particulate matter (PM) and 335,200 tons of oxides of nitrogen (NOX). These reductions have created up to \$12.6 billion of health benefits. The program helps to improve air quality at the nation's schools, construction sites, highways, railyards and ports.

The DERA program is still needed to help speed adoption of highly cost-effective emission control technologies for vehicles in the legacy fleet of millions of diesel vehicles and equipment which do not meet the most recent emission control standards. Further, even with the generous funding provided as part of the VW settlement, DERA is still needed because the settlement funds are not available to support non-road vehicles, equipment and engines that could benefit greatly from the Federal program. It is our hope that Congress will provide the \$100 million in funding for Fiscal Year 2018, as in the FY 2017 House-passed bill.

Because the DERA program goes hand and 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.

Thank you for your consideration.

Sincerely,

American Association of Port Authorities – American Highway Users Alliance - American Power Group - American Trucking Associations - Associated General Contractors of America - Caterpillar, Inc. – Corning Incorporated - Cummins Inc. - Diesel Technology Forum - Emission Control Technology Association – Manufacturers of Emission Controls Association - National Association for Pupil Transportation - National Association of State Directors of Pupil Transportation Services - National School Transportation Association - NAFA Fleet Management Association -South Coast Air Quality Management District - Truck and Engine Manufacturers Association - Umicore Autocat, Inc. - United Motorcoach Association