

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

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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.

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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

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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

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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