

GREEN JOB CREATION: DIESEL EMISSIONS REDUCTION ACT (DERA)

Request: Provide \$1 B for national competitive grants and rebates for the installation of retrofits on heavy-duty diesel vehicles under the Diesel Emission Reduction Act to simultaneously save or create jobs while improving air quality and public health.

Since its inception, DERA is has been supported by a broad coalition **of more than 600 environmental, public, industry, and labor groups.**

DERA is a 'win-win-win' that will create jobs, provide cost-effective health benefits, and reduce black carbon emissions that recent studies indicate contribute to global climate change.

- For every \$1 billion spent on diesel retrofits, approximately 19,000 jobs are created. (Keybridge, 2008).
- DERA is cost-effective with \$13 of economic benefit for every \$1 invested (EPA, 2005).
- DERA generates health benefits by reducing particulate matter diesel emissions by up to 90%.

DERA RESULTS IN THE AMERICAN RECOVERY AND RE-INVESTMENT ACT OF 2009 (ARRA)

- ARRA included \$300 million for the DERA program. EPA was able to solicit grant applications and awarded the grants within six months.
- EPA has a backlog of \$1.7 billion in applications from the earlier round of solicitations and could process \$1 billion in high quality requests very quickly again should supplemental funds be made available.
- DERA is a reimbursement program. While many awarded projects are currently in the implementation phase, the majority of funds have not yet been "drawn down." These funds are expected to be spent within the first quarter of 2010.
- The Administration's Recovery.gov website only tracks direct jobs at the applicant level, not jobs created at the manufacturing and installation levels. As a result, the tracking website lists fewer jobs than are actually being created or saved.

DERA Funding is Good for the Country

Funding DERA is Timely Fiscal Stimulus:

- The DERA program is already oversubscribed. As part of the American Recovery and Reinvestment Act, the Environmental Protection Agency (EPA) received \$300M for the DERA program. It received requests for more than 6 times that amount. More than 650 applications requested more than \$2 billion and providing \$2 billion in matching funds.
- This response is consistent with past responses to the DERA program. In FY 08 EPA received five dollars in requests for every one dollar available.

The Potential Economic Impacts:

- DERA could generate approximately \$6 of increased economic output for every \$1 of federal expenditures.
- Funding DERA at this level could result in approximately 19K new jobs created (or job losses avoided).
- The economic impact is likely to be the greatest in auto parts manufacturing and heavy-duty truck (e.g., school bus) manufacturing sectors, which have sustained job losses at nearly 9-times and 7-times the national rate.