

DIESEL EMISSIONS REDUCTION ACT OF 2005

Importance of Clean Diesel

Diesel engines are the workhorse of the American economy. However, they also emit harmful emissions. On-road heavy duty diesel vehicles, such as transit buses and garbage trucks, and non-road diesel vehicles, such as construction equipment and tractors, account for roughly one-half of the nitrogen oxide and particulate matter emissions from mobile sources nationwide. These emissions contribute to ozone formation and fine particulate matter, and they contain numerous other chemicals that are listed by the Environmental Protection Agency (EPA) as hazardous air pollutants.

EPA has finalized diesel fuel and new engine regulations that will reduce diesel emissions from new diesel buses, freight trucks, and non-road equipment by more than 80 percent from 2000 levels. EPA's 2001 Highway and 2004 Non-road Diesel Engine rules will greatly improve the environment and protect public health, but the full benefits will not be realized until 2030 because of the long lifetime of the 11 million existing engines. The durability of the diesel engines used to power school buses, trucks and railroads, agriculture processes, and emergency response vehicles can last for hundreds of thousands of miles over a lifetime of up to 30 years.

In the meantime, EPA has designated 495 counties nationally as in nonattainment for the new ozone and/or particulate matter air quality standards. Currently, state and local governments are hard at work developing plans to meet the new, fast approaching deadlines for the air quality standards – but without federal assistance, many will fall short.

Need for Legislation

In order to help states and communities meet these standards and reduce exposure to harmful diesel emissions, a voluntary diesel retrofit initiative is needed to substantially reduce emissions from our aging diesel fleets.

This program must build off proven state and local programs that use new technology to “retrofit” or replace older engines. In doing so, cost-effective emissions reductions can be provided for these fleets and dramatically accelerate the public health benefits.

Furthermore, states must develop State Implementation Plans (SIPs) to achieve ozone and particulate matter reductions to meet the new air quality standards. These states and communities must have the opportunity and flexibility to design programs to fit their own needs. Such a program will help bring counties into attainment by encouraging the retrofitting or replacement of diesel engines, which will substantially reduce diesel emissions that contribute significantly to ozone and particulate matter.

Taking Action

The *Diesel Emissions Reduction Act of 2005 (DERA)* establishes voluntary national and state-level grant and loan programs to promote the reduction of diesel emissions. The legislation:

- Authorizes \$1 billion over 5 years (\$200 million annually);
- Provides that 70 percent of the funds are distributed by EPA;
- Allocates 20 percent of funds to states to develop retrofit programs with an additional 10 percent available as an incentive for state's to match the federal dollars being provided;
- Establishes priority areas for projects – such as those that are more cost-effective and affect the most amount of people – and focuses the federal program on public fleets; and
- Includes provisions to help develop new technologies, encourage more action through non-financial incentives, and require EPA to outreach to stakeholders and report on the success of the program.

EPA estimates that this billion dollar program would leverage an additional \$500 million leading to a net benefit of almost \$20 billion with a reduction of about 70,000 tons of particulate matter. This is a 13 to 1 benefit-cost ratio.