



June 21, 2011

Dear Senator:

On behalf of the BlueGreen Alliance, our fourteen national labor and environmental partners, and the over fourteen million members they represent, I write to express our shared vision for what job-creating, environment-protecting federal budget and appropriations can and should look like. We share your concerns about responsible budgeting, and as you will see, we have taken into account the need for restraint and sacrifice. Our vision for responsible, job-creating federal expenditures will set America on a path toward both prosperity and fiscal discipline, and it will achieve this without squeezing America's working class and our engines of innovation.

We support President Obama's vision for out educating, out innovating, and out building our global competitors, and appreciate his commitment to clean technology, research and development, education and infrastructure. We believe we can achieve these goals, and win the jobs of the future, if we take a forward thinking approach to our federal budget.

The federal budget and appropriations should mirror our nation's priorities. Do we prioritize shared sacrifice and forward thinking measures for sustainable, economic growth, or blind trust in the free market to protect our environment and pull our nation out of the greatest recession since the Great Depression? We strongly advocate for the former, and call for strategic investments in our clean energy economy, infrastructure and education. We think these should be fully paid for through necessary cuts and changes in the current revenue structure.

It would be short-sighted and immoral to deal with our budget by placing undue burdens on the middle class, and undercutting the advancements we are finally making in what will be the biggest job-creating industry of the future: clean energy. By focusing solely on austerity, we will be set back in our fight against the two generational crises we currently face: unemployment and climate change.

In spite of the often one-sided rhetoric, we *can* drive programs of fairness and innovation, economic growth and environmental protection, job creation and climate change pollution reduction. We can do this while also balancing America's budget and solving the deficit.

Below are suggested revenue changes, programs and policies with our recommended funding levels. These suggestions are not exhaustive, but we believe they will move us forward on the path to winning the future. We look forward to working with you as the federal budget and appropriations bills are debated, and encourage you to remember that we can operate on a budget that is good for the middle class, the environment, and our country's fiscal health.

Sincerely,

A handwritten signature in black ink that reads "David Foster".

David Foster, Executive Director
BlueGreen Alliance

Revenue Changes

Stop Tax Havens - \$ 10 billion

Companies with a strong operating basis in America currently have legal grounds to stash in other countries profits they have made from operating in America, with all the benefits that come from producing here. These tax loopholes allowed companies like TransOcean — a Houston-based, but “Switzerland-headquartered” company that operated the Deepwater Horizon oil rig — to dodge paying taxes to America. Loopholes such as those that allow American companies to deduct interest from money borrowed to finance *overseas* operations must be closed.

Financial Transaction Tax - \$150 billion

One of the major drivers of our recent recession was excessive speculation and irresponsible actions by the financial sector. Common sense dictates that Wall Street should help pay clean up the mess, and this can be achieved through a miniscule levy on securities transaction.

Oil & Gas Company Tax Preferences - \$5 billion

The energy extraction and production industries are among the most profitable in the world, yet they receive significant subsidies through our tax code. The President outlined a few key but reasonable credits and deductions that should be removed. We support this effort, as many notable economists — including Treasury Secretary Geithner — have noted that removing these subsidies would not affect the price of gasoline, nor would it inhibit domestic oil and gas production.

Revenues for Transportation Infrastructure

Unless we fix the funding mechanism for transportation infrastructure, revenues will soon be producing diminishing returns. The gas tax rate has not budged — not even for inflation — since 1993, leaving this vital source of funding for American jobs and prosperity in a major state of flux.

Necessary Programs and Funding Levels (Unless otherwise noted, requests are for FY12)

Department of Energy

Industrial Technologies Program (ITP) request - \$320 million

Our middle class will rebound when our nation’s manufacturing base re-stabilizes and begins to grow again. The ITP works to increase the energy efficiency of U.S. industry — which improves productivity and competitiveness and reduces environmental impact. Helping our manufacturers become more productive through the research, development and deployment of innovative technologies will mean more American jobs and reduced air and climate change pollution.

Building Technologies Program (BTP) - \$470 million

Commercial and residential buildings account for over one-third of the nation’s energy consumption and greenhouse gas emissions. The BTP has provided invaluable research, development, demonstration and technical assistance for the building efficiency industry and related suppliers and manufacturers. With a continued dedication, these industries will hopefully continue to grow exponentially, leading to greater job creation and reduced energy use.

Loan Programs Office - \$200 million (credit subsidy); Restoration of \$3.5 billion for Sec. 1705

The recession severely limited private investors’ ability to provide financing for large-scale clean energy projects. Federal loan guarantees make these sorts of financing very attractive for

investors, and get large job-creating clean energy projects off the ground. Among the most important aspects of the loan guarantee program is the credit subsidy to support pending clean energy projects. This credit subsidy covers the administrative costs of the program and risks to the government of a default. Fees the applicant pays would normally cover this cost, but appropriating a credit subsidy opens the guarantee process up to smaller and potentially more innovative technologies. We also strongly support restoring the \$3.5 billion in authority that was taken from Sec. 1705 for other purposes.

Better Buildings Pilot Loan Guarantee Initiative - \$100 million

Anchor institutions such as schools and hospitals are among the best places to invest in energy efficiency projects. Doing so creates construction, manufacturing, and operations and maintenance jobs; establishes a healthier environment for those using these buildings and institutions; and cuts costs for those providing vital services to the community. The Better Buildings Pilot Loan Guarantee Initiative can help craft a model for retrofitting these institutions, while making a significant impact on our communities.

Vehicle Technologies Program- \$588 million

We need to strengthen the U.S. auto sector as it retools to meet consumer demand for cleaner vehicles and positions itself as a leader in the global auto market. Shifting existing tax credit incentives to a rebate available to buyers when they make their purchase would advance President Obama's goal of one million electric vehicles on the road by 2015, in addition to a \$588 million investment to bolster electric vehicle research and development and deployment.

Weatherization Assistance Program (WAP) - \$320 million

Low-income families already struggle with a number of issues during the economic downturn, volatile energy bills among the most difficult. Weatherization reduces energy bills by over \$270 per year per family. It creates much-needed jobs in a stagnant construction industry. The WAP has consistently delivered on its objectives, weatherizing more and more homes each year. We must keep our focus on lowering energy bills and creating jobs in the budding energy efficiency industry.

Research, Development, and Deployment Programs - \$1.76 billion

Seeking out and capturing innovations in energy technologies will be what sets us apart from our global competitors and what will ultimately transform America's energy economy. We must be steadfast in our dedication to exploring and implementing promising technologies that can create millions of jobs and make America truly low carbon.

- *Advanced Research Projects Agency – Energy: \$650 million*
- *Smart Grid: \$45 million*
- *Solar Energy: \$457 million*
- *Wind Energy: \$127 million*
- *Geothermal Technology: \$102 million*
- *Water Power: \$38.5 million*
- *Biomass and Biorefinery Systems RD&D Program: \$340.5 million*

Department of Labor

Green Jobs Act: Energy Efficiency and Renewable Energy Worker Training Program - \$125 million

Our workers of today and the future need the skills and knowledge to be successful working in new and innovative clean energy industries. The Green Jobs Act provides an excellent framework to prepare our future clean energy workers from all walks of life, from those simply excited

about diving in to these new industries to those searching for a pathway out of poverty. We must continue to build on this program's success and provide full funding.

Occupational Safety Health Administration (OSHA) - \$583 million

OSHA saves lives. A strong and engaged Occupational Safety and Health Administration protect the safety and health of American workers and their communities. Maintaining the OSHA budget means preserving OSHA's capacity to inspect American workplaces and investigate whistleblower complains, continuing to make the OSHA website a key resource for U.S. employers and workers, collecting data on the safety and health issues in the American workplace, and developing new standards to address our country's most pressing workplace safety and health issues.

Mine Safety and Health Administration (MSHA) - \$384 million

The terrible tragedy at West Virginia's Upper Big Branch Massey Mine reinforced the need for full funding for the Mine Safety and Health Agency. MSHA funding supports the inspection of our nation's mines aimed at protecting the lives of the people who work in these inherently dangerous jobs. MSHA funding also provides technical assistance to our nation's mining industry and education and training in the proper design and operation of mines.

Department of Transportation

Transportation infrastructure - 6-year authorization for \$556 billion

We need to continue to invest in America's highways, bridges and transit systems to make our transportation networks more efficient, maintain our economic competitiveness, and create employment in the hard-hit construction and manufacturing sectors. While the Administration and Congress continue to work on a long-term future strategy for surface transportation that addresses both spending and revenue issues, we cannot afford to wait to address much-needed investment and repair to our transportation networks.

We support the \$556 billion proposal for a six-year surface transportation reauthorization proposal that invests in America's future, creates jobs, and balances fiscal discipline with efforts to strengthen the economy, and which also boosts surface transportation funding by \$50 billion in the first year to create hundreds of thousands of jobs in industries suffering from protracted unemployment.

We also support improved policy and funding to create more livable and sustainable communities, such as through the successful multi-agency Partnership for Sustainable Communities, and the newly proposed Transportation Leadership Awards.

National Infrastructure Bank - \$30 billion

A National Infrastructure Bank would provide loans and grants for projects and broader activities of significance to our country's economic competitiveness. This investment would build on the \$4 billion invested in The National Infrastructure Innovation and Finance Fund last year as part of a \$25 billion commitment to make our nation's transportation networks more efficient and effective. Projects funded by the bank must be subject to Davis-Bacon prevailing wage laws.

High-speed rail - \$8 billion for FY12 and \$53 billion over six years

High-speed rail holds potential to significantly reduce our dependence on foreign oil, and President Obama's vision of a national modern high-speed rail network will improve quality of life for workers and communities and make us more competitive in the global economy. In

addition, investing in high-speed rail could help promote American manufacturing as we develop transportation solutions for the future — solutions that make us more energy independent and our economy more efficient.

The budget proposal allocates \$8 billion in 2012 and \$53 billion over six years to improve and expand passenger rail service, aimed at reaching the President's goal of ensuring 80 percent of Americans have access to passenger rail, featuring high-speed service, within 25 years.

Environmental Protection Agency (EPA)

*Clean Water State Revolving Fund - **\$2.5 billion***

The Clean Water State Revolving Fund provides loans for the construction of wastewater facilities, nonpoint source pollution control and estuary protection projects. Since its inception in 1987, cumulative assistance has surpassed \$65 billion and continues to grow through interest earnings, principal repayments, and leveraging. The Environmental Protection Agency (EPA) estimates that, between 1987 and 2005, approximately 600,000 construction jobs and 116,000 additional jobs resulted from SRF funding. In addition, the budget proposes \$1.2 billion to maintain assistance for water infrastructure in rural America.

EPA has estimated a \$388 billion funding gap for wastewater treatment systems — continuing funding will ensure that we can continue to supply safe drinking water to millions of Americans and create good infrastructure jobs along the way.

Drinking Water State Revolving Fund - \$ 1.5 billion

As the complicated network of pipes, mains, storage tanks, and treatment systems supplying water to our communities continues to age, EPA estimated that [we need \\$334 billion over the next 20 years](#) to protect public health and ensure compliance with the Safe Drinking Water Act. The primary source of that money has been the Drinking Water State Revolving Fund, which provides funds to states for infrastructure improvement projects.

*Climate Change Mitigation: Reporting and Implementation - **\$253 million***

Tasked with accurately collecting data on greenhouse gas pollution from our nation's largest sources and implementing effective regulations to ensure that large sources are properly permitted, the EPA must be provided the resources to perform these duties responsibly and efficiently.

*TSCA Implementation - **\$107 million***

While the 1976 Toxics Substances Control Act strongly needs to be reformed, the existing work of EPA on industrial chemicals needs to be maintained to protect the health of the American people and the safety of the products we use every day.

*Brownfields - **\$168 million***

Restoring polluted properties for more widespread use can revitalize communities by turning unusable lands into areas for prosperity and job creation.

*Superfund - **\$1.5 billion***

Locating, investigating, and cleaning up the worst hazardous and toxic sites nationwide requires a dedicated effort on behalf of the EPA and the workers tasked with performing the cleanup. This program has proven to be successful for decades, yet we still have a backlog of hazardous sites that need serious remediation. In addition to properly funding this program, we must strengthen

it by reinstating the polluter pays principle, ensuring that in the future taxpayers will not be stuck with the full burden of cleaning up the polluters' mess.

Environmental Education - \$14 million

Our country will work more productively and efficiently when our students receive proper education on the basics of our environment and how we interact with it. For two decades, the EPA's Environmental Education Program has helped children learn and understand more about their environment, in spite of consistent under funding. We urge you to provide full funding to this vital program.

Healthy Schools Program - \$6 million

By broadening the EPA's already successful Healthy Schools Program, we can ensure that states and communities receive the necessary technical support and outreach, and that the EPA can help co-lead an interagency effort to coordinate and integrate existing school programs throughout the federal government.

Department of State

Global Climate Fund - \$590 million

As established in the Copenhagen Accord and further codified in the Cancun Agreements, the U.S., alongside other developed nations, must help developing countries reduce their emissions, adapt to climate impacts, and save and preserve their forests. We strongly support these framework agreements and believe we must continue to contribute our fair share to fast start financing and long-term funding to support REDD+, adaptation, and mitigation efforts. As such we support the President's proposal to provide \$400 million for the Clean Technology Fund and \$190 million for the Strategic Climate Fund.

Department of Education

Healthy High Performance Schools Program - \$25 million

Designing and constructing schools that run efficiently and with as little pollution creates a healthy and cutting-edge learning environment for students and teachers, and creates jobs for the community. The Healthy High Performance School Program, as part of the Fund for the Improvement of Education, must continue to build on the success of its recent implementation and continue revamping and building innovative schools.

Department of Commerce

Hollings Manufacturing Extension Partnership (MEP) - \$200 million

By improving our manufacturing sector's productivity and effectiveness, we improve our nation's competitiveness. The MEP program has a long track record of providing necessary assistance to industries. With the key changes made in its most recent reauthorization in the America COMPETES Act of 2010, our nation's MEP centers will be at the center of national and local efforts to assist small- and medium-sized manufacturers' transition to the clean energy economy.

Cross-Cutting

Lacey Act Enforcement - \$13.5 million

Curbing illegal logging and reducing deforestation around the globe will significantly reduce greenhouse gas pollution and support legal businesses and their workers in the U.S. This funding will go a long way towards rooting out the devastating problem of illegal logging. We urge you to provide this funding as follows:

- U.S. Department of Agriculture Animal and Plant Health Inspection Services **\$5.5 million**
- U.S. Agency for International Development and U.S. Department of State Office of Oceans, Environment, and Science **\$4 million**
- U.S. Fish and Wildlife Service Office of Law Enforcement **\$4 million**

Offshore Wind Support Initiatives – \$87 Million

Offshore wind energy provides domestically sourced clean, renewable energy and serves as a potential job engine for ailing American manufacturing. Public and private stakeholders need to act in concert in order for offshore wind projects to be deployed effectively and responsibly. Important federal initiatives such as Department of Energy’s Offshore Wind Innovation and Demonstration (OSWinD) and Department of Interior’s Smart from the Start work to advance offshore wind turbine technologies, new energy infrastructure, resolve market barriers and promote streamlined, responsible siting processes that identify low conflict areas fast-tracked for development.

- Department of Interior – BOEMRE – Renewable Energy Subactivity – **\$23 Million**
- Department of Energy – EERE – Offshore Wind Energy Subprogram – **\$64 Million**