



ENVIRONMENTAL AND ENERGY STUDY INSTITUTE  
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# EESI Budget Analysis

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For Immediate Release: February 9, 2006

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## **EPA Clean Air and Global Climate Change FY 2007 Budget: Energy Star, Clean School Bus Programs Cut**

Washington, D.C. - Carol Werner, Executive Director of the Environmental and Energy Study Institute (EESI), today issued the following statement on the release of the president's FY 07 budget for the U.S. Environmental Protection Agency:

"In his January 31 State of the Union address, President Bush emphasized the need to apply 'the talent and technology of America' to 'dramatically improve our environment, move beyond a petroleum-based economy and make our dependence on Middle Eastern oil a thing of the past.' The funding priorities reflected in the President's FY 07 budget appear in conflict with these goals of environmental improvement and energy independence."

**Environmental Protection Agency budget cut by \$310 million:**

The Environmental Protection Agency (EPA) plays a crucial role in assuring environmentally responsible energy use through efficiency programs such as Energy Star. However, the president's budget calls for **\$310 million in cuts** in EPA's overall budget (a **4.1% cut** from FY 06 appropriations), reducing funding to a wide range of environmental and climate programs while increasing budgets for Homeland Security-related EPA programs. Budget cuts include:

- **\$35 million** cut in the State and Local Air Quality Management Grant (**16% cut** from FY 06 appropriations)
- **\$11 million** cut in Clean Air and Global Climate Change-related research (**8% cut** from FY 06 appropriations)
- **Cancellation** of the Clean School Bus Initiative (**cut from \$7 million** in FY 06)
- **\$5 million** cut in the Climate Protection Program (**5% cut** from FY 06 appropriations)
  - Includes **\$4.2 million** cut in the highly-effective Energy Star efficiency program (**9% cut** from FY 06 appropriations)

Cuts to the successful Energy Star voluntary efficiency program and the Clean School Bus Initiative (among other cutbacks) make funding available for U.S. participation in the newly formed Asia-Pacific Partnership on Clean Development and Climate, and for the new Diesel Emissions Reduction Grant Program. This grant program, which is focused on reducing particulate matter from existing diesel engines, including school buses, was authorized at \$200 million per year (2007-2011) in Sections 791-797 of the Energy Policy Act of 2005. The EPA FY 07 budget funds it at \$49.5 million, **one fourth** of the authorized amount.

While the president's budget request for the EPA's Clean Air and Global Climate Change Goal increased 1% over the FY 06 appropriations, it decreased 4% from the FY 06 request, continuing a steady downward trend. The largest cuts were to the budget for enhanced science and research, in spite of EPA Administrator Stephen L. Johnson's stated commitment to "using the best available science," articulated at the February 6 briefing announcing the EPA FY 07 budget.

The table below compares the President's FY 07 budget request to previous years' requests and FY 06 appropriations for the total EPA budget and the Clean Air and Global Climate Change Program (13% of the total EPA budget.)

<b>EPA Budget: FY 2005-07 Budget Requests and FY 2006 Appropriation</b>				
(dollars in thousands)	FY 2005 Budget Request	FY 2006 Budget Request	FY 2006 Appropriation	FY 2007 Budget Request
Clean Air & Global Climate Change Program	1,011,027	968,883	923,597	932,025
Total EPA budget	7,789,244	7,570,600	7,625,416	7,315,475

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