

American Recovery and Reinvestment Act:

An Opportunity to Repower America with a Green Economy

The economic recovery package is a first step toward repowering America with green jobs, refueling our nation with clean energy, and rebuilding the country's aging transportation and water infrastructure. As the bill moves into its final stages, Congress has a great opportunity to make a serious commitment to energy independence, reducing carbon emissions and protecting our environment while also creating millions of new jobs. In order to assure that these goals are met, NRDC supports the inclusion of the following provisions in the final American Recovery and Reinvestment Act:

ENERGY: Energy efficiency is the cheapest and cleanest way to reduce energy use and create jobs. The energy efficiency investments made in the bill would not only create hundreds of thousands of jobs, but also save consumers hundreds of billions of dollars in utility bills.

- **Invest in Energy Efficiency**—NRDC supports the House \$3.4 billion State Energy Program, which encourages states to adopt pro-energy efficiency utility regulatory reforms and more stringent building energy codes. NRDC estimates that the funding would create 64,449 jobs and that the state efficiency policies encouraged by the program would **save consumers and businesses about \$135 billion** over 10 years and reduce global warming pollution by 150 million metric tons of CO₂ annually by 2020—equivalent to avoiding 72 large power plants (500 megawatts in size). The \$6.2 billion for weatherization and \$6 billion for green federal buildings in the House bill should be retained. President Obama committed to weatherize 1 million homes and improve the efficiency of existing buildings by 25 percent over the next decade. The amount of weatherization funding in the House bill will reduce net fuel consumption by 23 percent and will create or preserve 142,500 jobs. The Senate version of the tax credit for home efficiency upgrades should also be adopted because it would more effectively promote energy efficiency and cost less.
- **Make the Clean Energy Tax Incentives Usable**—NRDC supports the Department of Energy (DOE) grant program in the House bill for renewable energy projects that are eligible to receive business tax credits. The program in the House bill would provide grants to renewable energy technologies in lieu of tax incentives. This funding is essential to keep the renewable industry growing and is estimated to cost very little to the taxpayer. The American Wind Energy Association estimates that if the DOE grants program is not adopted, new wind capacity additions will drop by 50 percent, which could have devastating effects on the industry and its workers. NRDC also recommends that the efficient appliance manufacturer tax credit be included in the DOE grant program because this tax credit is also seriously devalued as a result of the economic downturn and is an important incentive for promoting appliance efficiency.
- **Remove Billions in Dirty Fuel Loans**—The Senate bill provides an additional \$50 billion for EPACT's Title XVII loan guarantee program, much of which stands to flow to outdated, polluting technologies like nuclear, liquid coal, and conventional biofuels. These technologies are counter to sound environmental and energy policy and have no place in the stimulus bill. Final legislation should adopt the House Sec. 1705 provisions, which fund only renewable energy, including \$500



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million in vitally needed loan guarantees to help producers of next-generation biofuels transition their proven technologies to commercial scale. This program ensures only next-generation fuels are eligible and that they result in lifecycle greenhouse gas pollution reduction.

TRANSPORTATION: Making transportation priorities key components of the stimulus package will have the dual benefit of jumpstarting the economy in the short term by creating millions of green jobs and investing in America's well-being in the long term by taking the right steps to achieve the state-of-the-art infrastructure we need.

- Promote Better Transportation Choices**—Maintain, at a minimum, the \$12 billion in transit funding included in the House legislation, which would create as many as **360,000 jobs**. NRDC supports the \$2 billion for high-speed rail and \$1.1 billion for intercity rail, including Amtrak, in the Senate bill to lay the groundwork for a modern, economically competitive transportation network. The final bill should distribute formula highway funding with no less than 40 percent to local areas under the Surface Transportation Program (STP) formula, as is currently mandated in the Senate bill. This ensures that transportation dollars address the most pressing local needs. Additionally, the final legislation should adopt House language that funds transportation electrification under section 131 of the Energy Independence and Security Act of 2007. Finally, vehicle incentives should only be offered to promote sales of vehicles that provide substantial environmental and energy security benefits above the new fleet average.

WATER: The United States has an outmoded and crumbling water infrastructure system that cannot cope with our drinking water, wastewater, or flood prevention needs. By investing in water and wastewater infrastructure, we can create millions of good jobs that cannot be sent offshore, move to a 21st century economy, and protect public health, safety, and the environment.

- Develop Clean and Safe Water Infrastructure**—NRDC supports the House bill funding of \$6 billion for the Clean Water State Revolving Fund. We also support the \$2 billion for the Safe Drinking State Revolving Fund in both bills. According to the American Public Works Association, this increase in clean and safe water funding would create about **70,000 jobs**. The jobs created by this funding include engineers, architects, plumbers, planners, construction workers, maintenance workers, landscapers, and manufacturing workers. Projects reduce pollution to rivers, lakes, and coastal waters to make them safe for drinking water, swimming, and fishing; protect groundwater and surface water supplies and provide treatment necessary to protect public health; and prevent flooding, sewer overflows, and other forms of property damage.

LANDS:

- Support Sensible Wildfire Management**—Final legislation should restrict any increased funding for wildfire management to projects in and around communities at risk from wildfire, where the need is greatest, the science clearest on efficacy of fuel treatments, and the cost-benefit pay off the highest.

Making a big investment now in a new, green economy will result in millions of enduring jobs and significant savings to consumers in the long term. **We urge Congress to include these provisions and pass the final economic recovery bill.**

