

JOHN F. KERRY, MASSACHUSETTS, CHAIRMAN
OLYMPIA J. SNOWE, MAINE, RANKING MEMBER

CARL LEVIN, MICHIGAN
TOM HARKIN, IOWA
JOSEPH I. LIEBERMAN, CONNECTICUT
MARY LANDRIEU, LOUISIANA
MARIA CANTWELL, WASHINGTON
EVAN BAYH, INDIANA
MARK PRYOR, ARKANSAS
BENJAMIN L. CARDIN, MARYLAND
JON TESTER, MONTANA

CHRISTOPHER S. BOND, MISSOURI
NORM COLEMAN, MINNESOTA
DAVID VITTER, LOUISIANA
ELIZABETH DOLE, NORTH CAROLINA
JOHN THUNE, SOUTH DAKOTA
BOB CORKER, TENNESSEE
MICHAEL ENZI, WYOMING
JOHNNY ISAKSON, GEORGIA

NAOMI BAUM, DEMOCRATIC STAFF DIRECTOR
WALLACE HSUEH, REPUBLICAN STAFF DIRECTOR

United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

April 3, 2007

The Honorable Stephen Johnson
Administrator
U.S. Environmental Protection Agency
Ariel Rios North - 1200 Pennsylvania Ave, NW
Washington, D.C. 20460

Dear Administrator Johnson,

As Chairman and Ranking Member of the Senate Committee on Small Business and Entrepreneurship, we recently held a hearing to explore ways in which small businesses can help to address the global warming crisis. We thank you for the testimony of Bill Wehrum, Acting Assistant Administrator for Air and Radiation, on behalf of the Environmental Protection Agency ("EPA"). Mr. Wehrum addressed the Administration's efforts to assist small businesses in becoming more energy efficient through programs such as Energy Star. We are impressed that the Energy Star program helped Americans save \$12 billion on their energy bills in 2005, while avoiding greenhouse gas emissions equivalent to those of 23 million vehicles.

However, we believe that the Energy Star program can pay even greater dividends if funded adequately and administered effectively to meet the needs of America's 25 million small businesses.

For example, during the hearing, Mr. Wehrum testified that the EPA spends "about \$1 million a year" on its small business program. If true, this represents approximately two percent of the EPA's budget for the Energy Star program. In addition, we are also troubled that, according to Mr. Wehrum, EPA currently is committed to staffing "the equivalent of two employees" who are dedicated to Energy Star's small business program.

Small business is the engine that drives the American economy, employing half of all private sector employees, producing half of the nation's non-farm private gross domestic product, and creating nearly three-quarters of all net new jobs each year. Some estimates project that small businesses also use approximately half of all commercial and industrial energy in this country. Christopher Lynch, the Director of the Environmental Management Assistance Program for the Pennsylvania Small Business Development Centers, testified that small businesses can realistically implement measures to save between twenty and thirty percent of energy usage annually. Across the country, this would translate into reductions in carbon dioxide emissions of between 93 and 140

million tons per year, while potentially realizing an estimated combined savings for small businesses of up to \$18 billion in annual energy costs.

The pennies saved on 25 million energy bills add up quickly—but only if the small business owners paying those bills are encouraged to act. We believe that the time has come for small business to play a leading role in combating climate change and reducing our carbon footprint in the future.

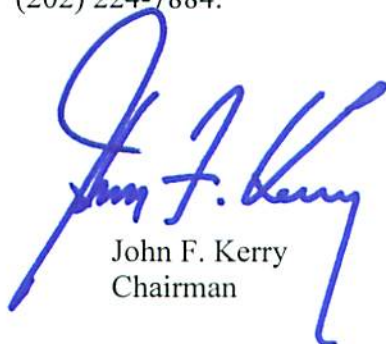
To achieve these results, the Administration must play an active role in providing small businesses with the technical assistance and resources necessary to improve energy efficiency. We believe that a staff of just two employees and a bare bones budget of \$1 million is not an adequate commitment to America's small businesses or to the nation's fight against global warming.

We request that you provide the following within 30 days of receipt of this letter:

- (1) A five year history of EPA's budget for the overall Energy Star program as well as for the Energy Star Small Business program;
- (2) A detailed description of the services provided by the staff designated to administer the Energy Star Small Business program, as well as a five year history of staffing allocations for this program, specifying the identities of any and all EPA employees dedicated to the Energy Star Small Business program; and
- (3) Detailed estimates, broken down into readily understood terms, of overall energy use by U.S. small businesses, and of the potential savings that are possible through energy efficiency improvements by small businesses.

In conclusion, we believe that EPA's Energy Star for Small Business program deserves the full attention and support of a Federal government that believes small businesses can make a difference in the fight to stop global warming and reduce greenhouse gas emissions.

Thank you for your attention to our request. Should you have any questions about the substance of the hearing, please do not hesitate to contact us directly, or to contact Brian Rice (with Senator Kerry) at (202) 224-5175 or Alex Hecht (with Senator Snowe) at (202) 224-7884.



John F. Kerry
Chairman

Sincerely,



Olympia J. Snowe
Ranking Member