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## United States Senate

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

January 2, 2008

The Honorable Stephen L. Johnson  
Administrator  
Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20004

Dear Administrator Johnson:

The issue of climate change has moved front and center in the national dialogue about our environment, our security, and our economy. CEOs from several Fortune 500 companies are bringing big business into the discussion, joining with environmental groups and urging the Federal government to pass legislation and require significant reductions in greenhouse gas emissions. We believe that small businesses, which represent 50 percent of the nation's economy, have just as big a stake in contributing to climate change solutions.

This year the Senate Committee on Small Business and Entrepreneurship has paid particular attention to the effects of climate change and escalating fuel costs on small businesses, and the role America's entrepreneurs can play in affecting change in these areas. Our Committee has already devoted two hearings during the 110th Congress to these subjects.

According to a recent survey conducted by the National Small Business Association, 75 percent of small businesses believe that energy efficiency can make a significant contribution to reducing greenhouse gas emissions. At the same time, only 33 percent of those had successfully invested in energy efficiency programs for their businesses. In fact, only 60 percent of the respondents to the survey reported being familiar with the Energy Star for Small Business program at the Environmental Protection Agency.

We need to significantly improve energy efficiency investment by small businesses. To that end, we worked to include provisions in the Clean Energy Act of 2006 that take great strides in this direction. These provisions promote financing agreements between small businesses and utility companies to increase energy efficiency, allow small businesses conducting energy efficiency or renewable energy research and development to be given priority consideration in the Small Business Innovation Research (SBIR) program, and establish loans for small firms to invest in use of renewable sources of energy in their business.

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The 26 million small businesses in the United States comprise 99.7 percent of all domestic employer firms and consume approximately half of all the commercial and industrial energy in the United States. In each of the last five years, the Energy Star program has received approximately \$50 million in annual funding. Regrettably, of this \$50 million appropriation, less than two percent has been allocated to the Energy Star for Small Business program, which is responsible for reaching the entire small-business community. Clearly, this inadequate percentage grossly underestimates the critically important role small businesses could play in improving our nation's energy efficiency and reducing our carbon footprint.

We believe that the time has come for small businesses to play a leading role in combating climate change and reducing our carbon footprint in the future. To achieve these results, we urge the Administration to fund the EPA's Energy Star for Small Business program at a minimum of \$2 million annually. This would provide small businesses with the funding, technical assistance, and resources necessary to improve small business energy efficiency.

Sincerely,

  
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JOHN F. KERRY  
Chairman

  
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OLYMPIA J. SNOWE  
Ranking Member

  
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Jon Tester

  
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Norm Coleman

  
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Joseph Lieberman

  
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Mary Landrieu

  
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Maria Cantwell