

Coburn Amendment 1875 - To provide for the consolidation and greater oversight of the Energy Star program.

Energy Star began in 1992 and is jointly run by the U.S. Department of Energy (DOE) and the U.S. Environmental Protection Agency (EPA). Recently, the American Recovery and Reinvestment Act allocated approximately \$300 million to state rebate programs for energy-efficient products that receive Energy Star certification. Unfortunately, the Government Accountability Office (GAO) has found that Energy Star safeguards are vulnerable to fraud and current Energy Star fraud safeguards do not ensure products meet efficiency guidelines.¹

The GAO submitted 20 fraudulent products for Energy Star certification. Of those 20 products, **15 received certification, 2 were rejected, and 3 did not receive a response.** One of the Energy Star approved items included a gas powered alarm clock.²

The GAO also found a lack of quality control and independent review of products seeking an Energy Star certification. **Only 4 of the 20 products the GAO submitted were required to be verified by an independent third-party review.**³

Finally, GAO found that the Energy Star program does not verify energy-savings data self-reported by manufacturers before certification. Energy Star relies on manufacturers to self-police and after-market testing.⁴

Many of the concerns with the Energy Star program derive from the duplicative nature of the Energy Star program's administration, which is now shared by EPA and DOE. In light of the GAO report, it is clear that the joint administration of Energy Star has failed and Energy Star must be subject to greater internal and external oversight. In that vein, this amendment would consolidate the administration and place it solely under the Department of Energy.

Furthermore, Energy Star's failures warrant a reduction in funding. Under this amendment, Energy Star funding would be reduced by 20 percent. A portion (10 percent) of this reduction would be allocated to the budget of the DOE's Inspector General Office, while the rest would be returned to the Treasury.

This amendment makes commonsense changes to a federal program that has been identified as failing to operate properly. The consolidation of the program under DOE will allow for greater oversight and streamlining of costs, and a transfer of funds to the DOE's Inspector General's office will ensure that fraudulent certification and gas alarm clocks are no longer given the seal of energy efficiency.

¹ <http://www.gao.gov/assets/310/301522.pdf>

² GAO-10-47: Energy Star Program: Covert Testing Shows the Energy Star Program Certification Process is Vulnerable to Fraud and Abuse. March 2010. <http://www.gao.gov/new.items/d10470.pdf>.

³ *Id.*

⁴ *Id.*