

MEDIA RELEASE

Advocating the increasing use of NGVs where they benefit most.
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2011 NAT GAS Act Introduced: Congress Can Make a Difference

WASHINGTON, D.C. April 6, 2011 . . . If Congress is serious about reducing the country's dependence on foreign oil, members should support a bill introduced today that encourages more Americans to fuel their vehicles with domestically produced natural gas, says the president of NGV America, the trade association that represents the natural gas vehicle industry.

The New Alternative Transportation to Give Americans Solutions of 2011 was introduced today by Reps. John Sullivan, R-OK, Dan Boren, D-OK, John Larson, D-CT, and Kevin Brady, R-TX. The bill, H. R. 1380, had 76 original co-sponsors when it was introduced.

"This comprehensive legislation is driven by the need for America to quickly reduce its dependence on foreign oil while simultaneously reducing greenhouse gases and urban pollution," says Richard Kolodziej, president of NGV America. "We commend Representatives Sullivan, Boren, Larson, and Brady for recognizing that it will take real commitment at the national level to move our country off our addiction to oil quickly."

The bill provides incentives for the use of natural gas as a vehicle fuel; the purchase of natural gas fueled vehicles; and the installation of natural gas vehicle refueling property. Each of these incentives would be in place for five years.

Kolodziej says the five-year time horizon is critical in encouraging fleets to switch to natural gas because it creates stability in the market and assurance for fleet owners as they consider their purchasing decisions.

"This is particularly important in the market for heavy-duty vehicles," says Kolodziej. "Heavy-duty vehicles account for about 25 % of all the on-road fuel consumed in this country, so moving more of these vehicles to natural gas can make the fastest impact on reducing our dependency on foreign oil."

Heavy duty fleets include 18-wheelers, buses, refuse vehicles, and cement and dump trucks.

"These members of Congress have also recognized the impact this can have on air quality," says Kolodziej. "When used as transportation fuel, natural gas can reduce greenhouse gas emissions by 20 – 29 percent compared with diesel and gasoline fueled vehicles.

The legislation provides:

- ∞ A tax credit for up to 80% of the incremental cost of buying a natural gas vehicle, with a maximum value ranging from \$7,500 for a light-duty passenger vehicle to \$64,000 for the heaviest trucks. Recognizing the innovations in vehicle engine technology, the bill includes incentives for both bi-fuel vehicles – those that run on either natural gas or gasoline – and dual fueled vehicles – where there is a mixture of small amount of diesel fuel with the natural gas. There are no vehicle tax credits in place today.
- ∞ A 50-cent per gallon fuel tax credit that is in place in 2011.
- ∞ An infrastructure tax credit of 50% of the cost up to a maximum tax credit of \$100,000 per station. For stations built in 2011, there is an existing infrastructure tax credit of 30% with a maximum credit of \$30,000. These credits cover only a small portion of the cost of building a station. This credit would also extend to home refueling units, where purchases would be eligible for a \$2,000 tax credit.
- ∞ A tax credit to the manufacturer for the production of natural gas vehicles.

The bill also includes other provisions that will facilitate the production and use of natural gas vehicles.

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NGVAmerica is a national organization dedicated to the development of a growing, sustainable and profitable market for vehicles powered by natural gas or biomethane. NGVAmerica represents more than 100 companies interested in the promotion and use of natural gas and biomethane as transportation fuels, including: engine, vehicle and equipment manufacturers; fleet operators and service providers; natural gas companies; and environmental groups and government organizations. For more information about NGVAmerica, visit our website at www.ngvamerica.org

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