



November 13, 2009

Senator Max Baucus

Chairman, Senate Committee on Finance

United States Senate

Washington, DC 20510

Senator Charles E. Grassley

Ranking Member, Senate Committee on Finance

United States Senate

Washington, DC 20510

Representative Charles Rangel

Chairman, House Committee on Ways and Means

U.S. House of Representatives

Washington, DC 20515

Representative Dave Camp

Ranking Member, Committee on Ways and Means

U.S. House of Representatives

Washington, DC 20515

Dear Chairmen and Ranking Members:

The House and Senate will shortly consider legislation to extend expiring federal tax provisions with respect to alternative-fuel vehicles such as natural gas vehicles (NGVs), on whose behalf the American Gas Association (AGA), the American Public Gas Association (APGA), and NGVAmerica advocate. The AGA represents 202 local energy utility companies that deliver natural gas to more than 65 million homes, small businesses, and industries throughout the United States, serving 170 million Americans in 50 states. The APGA represents over 700 municipally and publicly-owned local distribution systems in 36 states. Public gas utilities are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. NGVAmerica is a national organization of over 100 member companies, dedicated to developing markets for NGVs and building an NGV infrastructure, including the manufacture of NGVs, the installation of fueling stations, the development of industry standards, and training. We are writing to ensure that the following incentives are included in the final version of the legislation.

- Incentives for the Credit for Sale or Use of CNG and LNG and other alternative fuels. Section 11113 of SAFETEA-LU, PL 109-59, 26 U.S.C. 6426 (d) Alternative fuel credit (c) (CNG and LNG); expires on 12/31/2009
- Credit for Sale or Use of CNG and LNG and other alternative fuel mixtures Section 11113 of SAFETEA-LU, PL 109-59, 26 U.S.C. 6426 (e) Alternative fuel mixture credit; expires on 12/31/2009
- Payment for Sale or Use of CNG and LNG and other alternative fuels and alternative fuel mixtures, SAFETEA-LU, PL 109-59, 26 U.S.C. 6427(e).

Congress recognizes the importance of petroleum displacement and fuel diversification. Extending the effective dates of these expiring provisions would help continue the progress made by alternative-fuel vehicles in displacing gasoline and diesel. It also would send a clear message to fleet owners and other vehicle owners that Congress supports the use of alternative fuels as both an energy security and national security strategy for the mid-and long term. It also would help stimulate investment in alternative-fuel vehicle fueling infrastructure, which is essential to ensure a growing customer base.

Climate change mitigation is a further public policy benefit of extending the effective dates of these expiring provisions. Alternative-fuel vehicles produce far fewer greenhouse gas emissions than comparable diesel and gasoline vehicles.

We appreciate your consideration of our request, and if you have any questions please do not hesitate to contact Paul Kerkhoven at 202.824.7363.

Sincerely,

American Gas Association

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American Public Gas Association

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NGVAmerica

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cc: Members of the House Ways and Means Committee

Members of the Senate Finance Committee