

May 4, 2011

The Honorable David Camp
Chairman, Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member, Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

Dear Chairman Camp and Ranking Member Levin:

As major industrial consumers of natural gas, we are writing to urge you to oppose the New Alternative Transportation to Give American Solutions Act of 2011, (NAT GAS Act or H.R. 1380), which subsidizes natural gas vehicles and infrastructure at taxpayers' expense. This bill will distort markets and increase production costs for U.S. manufacturers while creating a new, multi-billion dollar tax subsidy. At a time when Congress is being challenged to get our fiscal house in order, such legislation is highly inappropriate.

Natural gas has many economic and environmental advantages that should lead to market success without generous federal preferences. For example, many companies with large transportation fleets are using natural gas without receiving any tax subsidies because it is the most cost-effective option. American manufacturers, power generators and homeowners are also choosing natural gas.

American manufacturers rely on natural gas to compete effectively in global commerce. We recognize growing demand for natural gas in transportation and electricity generation, and do not oppose these uses. We do oppose subsidies that would artificially increase natural gas demand, distort markets and suppress the emergence of other energy technologies. Lawmakers must recognize that if they support the NAT GAS Act, they are favoring one sector over others and making it more difficult for U.S. manufacturers to compete and create and maintain jobs.

We should strive to enhance energy security, develop cost-effective alternative fuels and continue to improve energy efficiency. As part of a comprehensive energy strategy, Congress should increase access to domestic oil and gas resources. This step would help boost reliable supplies for consumers and businesses, and create and maintain jobs, investment and significant new revenue streams for federal and state governments.

We urge Congress to oppose tax preferences that subsidize a well-established fuel in a well-functioning market.

Sincerely,

American Chemistry Council
American Forest & Paper Association

Industrial Energy Consumers of America
The Fertilizer Institute

cc: all Members of House Committee on Ways and Means