



## PRESS RELEASE

---

FOR IMMEDIATE RELEASE

March 1, 2012

CONTACT: Marnie Satterfield

(202) 223-1420

[msatterfield@ieca-us.org](mailto:msatterfield@ieca-us.org)

### **“Manufacturers Oppose Legislation to Subsidize Natural Gas for Transportation Use”**

As manufacturers whose competitiveness is dependent upon the price of natural gas and natural gas-fired power generation, we continue to strongly oppose S. 1863, the New Alternative Transportation to Give Americans Solutions Act of 2011 (Nat Gas Act). Demand of natural gas is the responsibility of markets, not Congress or consumer tax subsidies.

Subsidies are not needed. Natural gas prices are substantially below that of gasoline and diesel and provide consumers significant financial incentives. CNG (compressed natural gas) sells for about \$2.44 per gallon equivalent and the national average price of gasoline is \$3.74 per gallon, a minimum of a 35 percent cost advantage. On the other hand, the Nat Gas Act estimated cost is \$5 billion over five years, however, numerous energy experts believe it could be over \$100 billion.

That same natural gas, consumed by the manufacturing sector creates an eight fold multiplier in jobs and increased exports. We encourage the Congress to not jeopardize the competitiveness of the manufacturing sector that has lost 5.5 million jobs since 2000.

**The market is working. There is a plethora of activity. Honda is offering its CRV in 37 states. Central Freight Lines is testing 15 new 2013 Peterbilt CNG Tractors. Republic Services, Inc. has 826 vehicles operating on either CNG or liquefied natural gas, and plans to purchase about 550 CNG trucks in 2012. Cummins Westport Inc. expects to be in full production in early 2013 of its natural gas engine for regional haul truck/tractor, vocational and refuse applications.**

Taxpayer subsidies have had a bad track record. According to The Wall Street Journal, “In the 1970s the feds spent some \$2 billion on synthetic fuels, which were a commercial bust. Ethanol was sold as a path to energy security, but 30 years and more than \$40 billion later it still can’t compete without governmental support. The two-decade federal nourishment of solar, wind and other non-hydro renewable has cost tens of billions of dollars, yet they still provide just 3.6% of U.S. electricity.”

---

*The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$700 billion in annual sales and with more than 650,000 employees nationwide. It is an organization created to promote the interests of manufacturing companies through research, advocacy, and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, brick, chemicals, fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, aluminum and brewing.*