NGVAMERICA
Natural Gas Vehicles for America

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MEDIA RELEASE

Advocating the increasing use of NGVs where they benefit most.
For the economy. For the environment. For health. For security. **For America.**

Natural Gas Vehicles Get Boost in Climate Legislation

May 12, 2010 -- Natural gas vehicles would get an economic boost from legislation introduced today by Sens. John Kerry, D-Mass., and Joe Lieberman, I -Conn. The two senators included provisions in their proposed climate change legislation, the American Power Act, that would support the production and purchase of natural gas vehicles.

"Natural gas is the cleanest burning alternative transportation fuel commercially available today and can reduce greenhouse gases emissions by almost 30 percent. We are very encouraged to see that support for natural gas vehicles is a part of this climate legislation," said Richard Kolodziej, president of NGVAmerica. "The United States is behind many other countries in using natural gas as a transportation fuel, and the provisions in this legislation will encourage more fleets to switch to clean burning, domestically produced natural gas."

Among the natural gas vehicle-related provisions, the proposed legislation would establish new tax credit caps for fleet vehicles. Currently, there are incentives for the purchase of natural gas vehicles put in place by the Energy Policy Act of 2005. The potential value of the tax credit varies depends on the size of the vehicle, the incremental cost of the vehicle and the emissions performance of the vehicle. The new proposed caps would be as follows:

Vehicle Size	Current Tax Credit Cap	Proposed Tax Credit Cap
Light-Duty (under 8,501 lbs)	$5,000	$10,000
Medium-Duty (8,501-14,000 lbs)	$10,000	$20,000
Med.-Heavy-Duty (14,001-26,000 lbs.)	$25,000	$50,000
Heavy-Duty (over 26,000 lbs.)	$40,000	$80,000

Fleet owners would be eligible for a tax credit of 50 percent-to-80 percent of the cap depending on emissions performance. Bi-fuel vehicles would now also be eligible for the tax credit. The incentives would be available for 10 years.

In addition to the extension and expansion of the vehicle purchase incentive, the legislation also would create "natural gas bonds", which would help stimulate the use of natural gas vehicles by government bodies, and a tax incentive program for vehicle manufacturers, which would make manufacturing of natural gas vehicles more cost effective.

"Senators Kerry and Lieberman should be commended for taking leadership on this important climate and energy legislation," Kolodziej said.

These incentives are similar to those contained in S. 1408, the New Alternative Transportation to Give Americans Solutions (NAT GAS) Act. The Nat Gas Act also would reinstate the fuel tax credit that expired in December and expands the infrastructure tax credit, which expires in December 2010.

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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