

November __, 2024

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office
Building
Washington, D.C. 20510

The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office
Building
Washington, D.C. 20510

The Honorable Jason Smith
Chairman
Committee on Ways & Means
United States House of
Representatives
1102 Longworth House Office
Building
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways & Means
United States House of
Representatives
1102 Longworth House Office
Building
Washington, D.C. 20515

Dear Chairmen Wyden and Smith, Ranking Members Crapo and Neal:

The undersigned represent employers, members of industry, local governments, clean energy advocates, and non-profit organizations across the country. We ask that you move to pass a long-term extension of the Alternative Fuel Excise Tax Credit (AFTC) as soon as possible.

The AFTC provides a credit of \$0.50 per gasoline gallon equivalent (GGE) of certain clean transportation fuels, including renewable natural gas, natural gas, renewable liquefied petroleum gas, liquified petroleum gas, P Series Fuels, and others. This credit provides a market-based, end-user incentive to encourage the adaptation of alternative fuels in the transportation sector, which helps clean our air, reduce dependence on foreign oil, and enable a nationwide transition to clean transportation fuels.

The AFTC was first implemented as part of the *Energy Policy Act of 2005* (Public Law 109-58), and Congress most recently enacted a three-year authorization extension through December 31, 2024, with the passage of the *Inflation Reduction Act of 2022* (Public Law 117-169). The credit has been critical to the development of alternative fuel vehicles, which provide a number of economic and health benefits to businesses, municipalities, school districts, and families for private use. The ability of alternative fuel vehicles to reduce air pollutants, such as particulate matter (PM), nitrogen oxides (NOx), and sulfur oxides (SOx), is particularly noteworthy in areas with high population densities. With domestic manufacturing of vehicles, engines, fuel storage systems, and fueling infrastructure, the alternative fuels market impacts hundreds of local economies directly through high-paying jobs in engineering and manufacturing as well as in service, maintenance, and related fuel sales.

Alternative fuels provide immediate and significant air pollutant reductions and affordable greenhouse gas (GHG) reductions. The cleanest commercially available heavy-duty engine in the world is powered by natural gas, with engines designed, built, and manufactured in America. Replacing just one traditional diesel-burning heavy-duty truck with one new Ultra Low-NOx natural gas truck is the emissions equivalent of removing 119 conventional combustion engine cars off our roads. Fueling with Renewable Natural Gas (RNG) can be carbon-neutral, even carbon-negative, depending on the feedstock, with up to 331 percent lower GHG emissions than diesel. In 2023, RNG offset a total of 6.96 million tons of CO₂e, equal to offsetting close to 784 million gallons of gasoline consumed. Similarly, medium-duty propane engines produce 80 percent fewer smog-producing hydrocarbon emissions than diesel engines, propane-powered school buses reduce NO_x emissions by 96 percent compared to clean diesel engines and run 50 percent quieter, benefitting both the environment, their passengers, and the surrounding community. The increased production and market penetration of renewable propane, a drop-in fuel, will further reduce emissions, achieving net-zero and even greater greenhouse gas (GHG) reduction capabilities. Furthermore, school districts favor propane buses not just because they reduce emissions but also due to the ability to operate reliably in cold climates while decreasing school transportation costs – allowing schools to redirect transportation dollars back inside the classroom.

A two-year extension of the AFTC will ensure the continued success of clean transportation initiatives and help solidify the economic and environmental gains made in recent years. Certainty on the status of the credit will enable fleets, companies, and municipalities to invest in the cleanest, most affordable, renewable transportation fuels available today. We implore Congress to move quickly to pass legislation to extend the AFTC for at least two years as soon as possible.

Sincerely,