

Senator Michael Bennet Opening Statement

12/3/14 Hearing Entitled:

Natural Gas Vehicles: Fueling American Jobs, Enhancing Energy Security, and Achieving Emissions Benefits

Good afternoon. Thank you to Senator Cornyn; to all of our distinguished witnesses; and to all of you for being here today. The subcommittee on energy, natural resources and infrastructure will come to order.

Once again, I want to thank our witnesses for being here today.

We're convening to discuss an important topic – natural gas, and specifically the use of natural gas as a transportation fuel. As most know, the country has undergone a dramatic change in our domestic energy picture over the last decade. Thanks to innovations in the drilling process, our domestic production of natural gas has quadrupled since 2005. That's good for jobs, good for energy security, and – when natural gas is produced responsibly – it can also be good for our environment.

And I want to spend just a minute on this at the outset because it's an important point. I'm a firm believer that we can produce natural gas safely and in a way that protects drinking water, air quality, and adjacent communities. The state of Colorado has led the way in establishing a robust regulatory regime for natural gas production. From first-in-the-nation standards that dramatically reduced fugitive methane emissions, all the way to the innovative "Clean Air, Clean Jobs Act" that led to increased natural gas usage in Colorado's power plants. This law, and the associated fuel switching and efficiency targets, will lead to sizable reductions in both criteria emissions and carbon pollution -- which are two of the biggest environmental advantages of using more natural gas in power generation and transportation. Most importantly, these new initiatives were broadly supported, both by the industry and the environmental community. On this topic, like many others, I think Washington could learn a lesson from the collaborative approach we've taken in Colorado.

While various aspects of natural gas have been discussed in front of the Energy and Environment Committees – we're here today to discuss natural gas as a transportation fuel. There's a huge opportunity to grow this market. It's amazing to me that over 40% of the country's public buses are currently powered by alternative fuels or blends. We've seen this in Colorado -- Weld County Public Works has recently converted many of their cargo vans, snowplows, and school buses to natural gas. They predict that this will save the school district \$100,000 a year and will reduce emissions of smog-producing pollutants.

As we'll hear today, this Committee can do more to help this growing industry. Specifically, we can level the playing field on excise taxes so natural gas isn't taxed at a higher rate than diesel. Senators Burr, Hatch and I have a bill that would do just that. It passed this committee and the full Senate during our consideration of the highway bill, but was stripped out by the House before final passage.

The Finance Committee also has jurisdiction over a variety of alternative fuel tax credits. Specifically, the 50 cent per gasoline-gallon-equivalent credit for selling natural gas as a

transportation fuel – a credit that has expired. And the 30 percent credit for the installation of new natural gas refueling equipment, which has also expired. Our tax laws are crucial to the development of the new infrastructure needed to aid the growth of these vehicles. Both of these credits were included in the EXPIRE Act that passed the Finance Committee with bipartisan support.

As most of us here know, today's hearing is timely because the House is now considering a very short-term "extenders" bill. Under the House bill, dozens of temporary tax laws will expire once again at the end of the month. This isn't exactly the certainty that American businesses and families are looking for from Congress. I would prefer, and I know many in the Senate would too, that we move back to the bipartisan legislation that moved through this Committee over 6 months ago. That bill passed our Committee overwhelmingly and nearly every member indicated that the bill was designed to give us a nearly two year window to work on tax reform.

As we do this, it's important that Congress understands the growing natural gas vehicle industry and its positive effect on our economy, national security, and our environment. Once again, I want to thank our panel for being here. We're looking forward to your testimony.