

December 8, 2011

The Honorable Harry Reid
Majority Leader
U.S. Senate
522 Hart Senate Office Bldg
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
317 Russell Senate Office Building
Washington, DC 20510

Re: Manufacturing and Agriculture Natural Gas Consumers Oppose S. 1863, the New Alternative Transportation to Give Americans Solutions Act of 2011

The undersigned manufacturing and agriculture organizations oppose S. 1863, the New Alternative Transportation to Give Americans Solutions Act of 2011. Demand of natural gas is the responsibility of markets, not Congress or consumer tax subsidies. Consumer tax subsidies artificially increase the demand for natural gas in the transportation market and could easily result in higher costs for natural gas and natural gas-fired electricity. We urge the Congress to allow the market to set supply and demand for natural gas instead of picking “winners” and “losers” through legislation.

As manufacturers who compete globally and rely heavily on the use of natural gas as both an energy source and an essential raw material or “feedstock” we are concerned that such legislation could result in higher costs, causing industrial “demand destruction” that forces good U.S. manufacturing jobs to overseas competitors.

The farm sector depends on natural gas for food processing, irrigation, crop drying, heating farm buildings and homes and nitrogen fertilizer production. By far, the most intensive agricultural use of natural gas is in the production of nitrogen fertilizer, which is used on virtually every crop produced in this country. Natural gas represents approximately eighty percent of nitrogen fertilizer production costs.

Subsidizing natural gas demand is unnecessary. If natural gas is abundant and affordably priced, the market will respond by increasing demand. For the transportation sector, natural gas is a competitive fuel right now without consumer tax subsidies.

We are happy to speak to you at greater length on the importance of affordable natural gas. On behalf of the Natural Gas Consumers Coalition, you may contact Paul Cicio at 202-223-1661.

Sincerely,

Ag Processing Inc
Agribusiness Association of Iowa
Agricultural Retailers Association
American Chemistry Council
American Forest & Paper Association
American Foundry Society
Arkansas Electric Energy Consumers
Arkansas Gas Consumers

Brick Industry Association
CF Industries, Inc.
Charlotte Pipe & Foundry Company
Chemical Industry Council of Illinois
Cliffs Natural Resources
Copper and Brass Fabricators Council, Inc.
Corning Incorporated
Dow Corning Corporation

East-Lind Heat Treat, Inc.
Eastman Chemical Company
Evonik Degussa Corporation
Florida Fertilizer & Agrichemical
Association
Florida Strawberry Growers Association
Georgia Agribusiness Council
Glass Manufacturing Industry Council
Guardian Industries
Illinois Fertilizer & Chemical Association
Independent Lubricant Manufacturers
Association
Industrial Energy Consumers of America
International Chemical Co
Jim Hicks & Company
Koch Companies Public Sector
Lehigh Hanson, Inc.
Louisiana Ammonia Producers
MWV

National Petrochemical & Refining
Association
Nebraska Agri-Business Association
NewPage Corporation
North Dakota Agricultural Association
Ormet Corporation
PPG Industries
Rock-Tenn Company
Saint-Gobain Corporation
SGL Carbon LLC
Smelter Service Corp
Society of Plastics Industries
South Dakota Agri-Business Association
South Dakota Grain & Feed Association
The Andersons, Inc.
The Dow Chemical Company
The Fertilizer Institute
The Timken Company
USG Corporation

cc: U.S. Senate
U.S. House of Representatives