

FACT SHEET: AEA RADIO AD NAT GAS ACT

AUDIO: “After wasting trillions of taxpayer dollars on failed bailouts and government giveaways, you’d think Washington would kick its outrageous spending habit. But even in the middle of a \$14 trillion national debt crisis, Congress just can’t stop giving away our money.”

FACT: According to the U.S. Department of the Treasury, our national debt now stands at \$14.53 trillion dollars (<http://www.treasurydirect.gov/NP/BPDLogin?application=np>).

Spending has also increased dramatically, adding to our national deficit. Data from the Office of Management and Budget summarizes our total outlays (spending), and the resulting deficit (<http://www.whitehouse.gov/omb/budget/Historicals> Table 1.1):

FY2008: \$2.9T (outlay) / \$458B (deficit)
FY2009: \$3.5T (outlay) / \$1.4T (deficit)
FY2010: \$3.4T (outlay) / \$1.2T (deficit)
FY2011 (estimate): \$3.8T / \$1.6T (deficit)
FY2012 (estimate): \$3.7T / \$1.1T (deficit)

The following programs are noteworthy for their contribution to the increase in discretionary spending:

**Total cost of federal bailouts (TARP, TALF, Fannie Mae/Freddie Mac/AIG, etc) 2009 – present:
\$2.5T spent, \$12.2 committed**

(<http://www.nytimes.com/interactive/2009/02/04/business/20090205-bailout-totals-graphic.html>)

Total cost of American Recovery and Reinvestment Act (Stimulus): \$821B

(<http://www.cbo.gov/ftpdocs/120xx/doc12074/02-23-ARRA.pdf>)

Total cost of “Cash for Clunkers” program: \$3B

(<http://money.cnn.com/news/storysupplement/economy/bailoustracker>)

AUDIO: “The latest congressional giveaway is the NAT GAS Act—billions in corporate welfare that would dole out \$60 thousand dollars in tax subsidies for each new natural gas truck purchase.”

FACT: The “New Alternative Transportation to Give Americans Solutions Act of 2011” (NAT GAS Act, H.R. 1380) provides a tax credit of \$64,000 for the purchase of commercial trucks, and \$4,000 per vehicle to the producers of natural gas powered vehicles (<http://www.gpo.gov/fdsys/pkg/BILLS-112hr1380ih/pdf/BILLS-112hr1380ih.pdf>).

FACT: Although the Office of Management and Budget has yet to do an official estimate of the costs of the NAT GAS Act, public statements on the bill provided by supporters like T. Boone Pickens put the cost around \$5 billion. However, the legislation itself does not contain a cap on the amount that can be spent on the program, and Mr. Pickens’ estimate of \$5 billion assumes that only 140,000 trucks and the necessary fueling stations are built even though 400,000 long-haul trucks will likely be sold this year alone

(http://online.wsj.com/article/SB10001424052748704740604576301550341227910.html?mod=WSJ_Energy_leftHeadlines).

FACT: Industry supporters of the NAT GAS Act stand to benefit substantially from passage of the bill. For example, Mr. Pickens is the founder and biggest shareholder of Clean Energy Fuels, the largest provider of natural gas fuel for transportation in North America (<http://investors.cleanenergyfuels.com/directors.cfm>). Pickens has also invested heavily in natural gas companies as chairman of BP Capital Management, a hedge fund that invests in energy companies (<http://seekingalpha.com/article/284414-t-boone-pickens-favorite-stock-picks>).

AUDIO: “Meanwhile, ‘We the People’ get stuck with the bill through higher energy costs and less job opportunities. American families are suffering through high unemployment and soaring energy costs.

FACT: According to the Industrial Energy Consumers of America, “Subsidies that increase demand will increase the price of natural gas and electricity to every homeowner, farmer and manufacturer. The residential and manufacturing sector consumes respectively 22 percent and 30 percent of US demand. The electricity sector consumes 33 percent. This means that as the price of natural gas rises, it not only increases home heating costs and the cost of fuel and feedstock to manufacturing, it also increases the price of electricity.” (http://www.ieca-us.com/documents/05.16.11_IECAOpposesNatGasVehicleSubsidies.pdf).

FACT: Mr. Pickens admitted to *Bloomberg* that opponents of the NAT GAS Act oppose the bill because they “[do] not want natural gas prices to move up.” (<http://www.eenews.net/eenewspm/2011/07/12/archive/6> and <http://www.youtube.com/watch?v=pNX5SOsC5lw#t=3m35s>). In other words, he admits that the NAT GAS Act will increase natural gas prices.

FACT: According to the Industrial Energy Consumers of America, “Manufacturing has lost 5.7 million jobs (33 percent decline) since 2000. Millions of jobs were lost from 1999 to 2004 when natural gas prices doubled from \$3.12 per mcf to \$6.53 per mcf. Today’s NYMEX price is about \$4.30/mm Btu. Energy intensive manufacturing industries like chemical, plastics, fertilizer, paper, steel, aluminum and glass shut down thousands of facilities. Because American manufacturers compete globally against subsidized manufacturers in countries like China, it is essential that Congress preserve America’s competitive advantage by refusing to artificially inflate natural gas and electricity costs.” (http://www.ieca-us.com/documents/05.16.11_IECAOpposesNatGasVehicleSubsidies.pdf).

AUDIO: “We can’t afford another corporate welfare giveaway like the Nat Gas Act.

Now is the time for action.

Call your U.S. Senator or Congressman at 202-225-3121. Tell them special interest handouts like the NAT GAS Act have to stop.

Paid for by the American Energy Alliance www.AmericanEnergyAlliance.org.”