



The Honorable Lamar Alexander, Chairman, Senate Energy & Water Appropriations Subcommittee  
The Honorable Dianne Feinstein, Ranking Member, Senate Energy & Water Appropriations Subcommittee  
The Honorable Mike Simpson, Chairman, House Energy & Water Appropriations Subcommittee  
The Honorable Marcy Kaptur, Ranking Member, House Energy & Water Appropriations Subcommittee

**Re: Maintaining Funding for DOE Deployment of Alternative Fuels and Vehicles**

Dear Chairman Alexander, Ranking Member Feinstein, Chairman Simpson, and Ranking Member Kaptur:

The undersigned represent Clean Cities coalitions, business leaders, local and state officials, and other stakeholders working to advance markets for cleaner transportation fuels and vehicles. We thank you for maintaining funding for the Department of Energy (DOE) Clean Cities alternative fuels and vehicle deployment program in FY 2017 and urge you to ensure adequate funding again in FY 2018.

We were alarmed to see that the White House budget proposes a total elimination of funding for Clean Cities as part of cutting the DOE Vehicle Technologies program from \$307 million to \$82 million (a 73% reduction). We are counting on your support to maintain funding for this critical program. By advancing markets for alternative fuels and vehicles that are primarily domestically produced, Clean Cities is helping to stabilize gasoline prices, decrease our reliance on foreign oil, and create American jobs.

Specifically, we are asking you to include the following report language in the Vehicle Technologies section of the Energy Efficiency and Renewable Energy Account in the FY 2018 Energy and Water appropriations bill:

*Within available funds, the Committee recommends \$50,000,000 for Outreach, Deployment and Analysis to support the Clean Cities Alternative Fuels and Vehicles Deployment Program. Within this amount, \$40,000,000 is provided for Deployment through the Clean Cities Program, including at least \$20,000,000 for competitive grants to support alternative fuel, infrastructure, and vehicle deployment activities. When issuing competitive grants, the Department is encouraged to focus on awards that range from \$500,000 to \$1,000,000 each and include at least one Clean Cities coalition partner. The Department is encouraged to ensure balance in the award of funds to achieve varied aims in fostering broader adoption of clean vehicles and installation of supporting infrastructure.*

Despite the recent decrease in the cost of gasoline, prices in America remain subject to supply disruption that creates volatility, which negatively impacts both business operating expenses and household budgets. We continue to send more than \$150 billion a year to OPEC and other foreign countries for oil. Meanwhile, China and other nations threaten to beat out the United States for leadership in advanced vehicle technologies and markets. As stated in the Administration's budget justification, "Vehicles move our national economy....Growing our economy requires transportation, and transportation requires

energy, yet our dependence on oil for transportation remains a significant challenge.” More than 70 percent of the oil we import is used as our primary transportation fuel – as gasoline for our national fleet of 250 million cars and light trucks, or as diesel fuel for our 3.6 million heavy-duty trucks.

The DOE Clean Cities Program is the federal government’s most effective initiative focused on increasing energy security through the deployment of alternative fuels, vehicles, and infrastructure that are primarily domestically produced. According to DOE annual reports, from 2006 through 2015 Clean Cities has leveraged \$207.3 million in program funding into another \$2.2 billion in state, local, and private investment in alternative fuels deployment projects. This is an overall leverage ratio of \$10.60 for every \$1 in the Clean Cities budget. These funds were used to deploy a diverse array of petroleum reducing fuels, vehicles and refueling stations that were based on specific state and local transportation needs. Clean Cities has developed projects that have reduced petroleum consumption by more than 8.5 billion gallons. The program is on track to decrease petroleum use by 2.5 billion gallons annually by 2020.

In addition to enhancing our energy security, the clean transportation industry is also critical to our economic growth and global competitiveness.

- There are 500,000 plug-in electric vehicles on the road. The global market for lithium ion batteries will grow from \$3.2 billion in 2013 to \$24.1 billion in 2023 and annual revenue from the infrastructure charging sector is projected to grow to \$5.8 billion by 2022.
- The ethanol industry contributes more than \$45 billion to our nation’s economy, including more than 350,000 American jobs.
- Biodiesel has grown into a 2 billion gallon per year industry with nearly 200 plants across the country supporting more than 60,000 jobs.
- There are nearly 150,000 buses, delivery trucks and vans, taxicabs, and other vehicles running on clean-burning propane. With an extensive propane distribution network in place, consumers are able to access record-high stocks of propane to meet their vehicle fueling needs.
- The U.S. is the number one producer of natural gas in the world, and American businesses and consumers continue to embrace natural gas vehicles. There are currently 153,000 natural gas vehicles on America’s roads, which are supported by 1,750 fueling stations connected by 1.5 million miles of natural gas pipelines. Projections indicate that the transportation sector will consume 1.2 trillion cubic feet of clean burning, domestic natural gas by 2030 and that a significant portion of the light and heavy duty vehicle markets could be powered by natural gas by 2050.

Again, we urge you to include the above report language in the FY 2018 Energy and Water Appropriations bill, which would ensure adequate funding for the deployment of alternative fuels and vehicles through the DOE Clean Cities program. Stability and predictability are needed in federal support for alternative fuels and advanced technology vehicles to allow long-term private sector planning and investment to occur efficiently. Now is the time for Congress to maintain critical investment in the deployment of clean, domestically produced fuels and vehicles.

Thank you for your consideration. Please let us know if you have questions or want more information concerning our request.

Sincerely,