



July 15, 2015

The Honorable Paul Ryan
Chairman, Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Ryan:

On behalf of the National Propane Gas Association (NPGA), I would like to thank you for including the excise tax equalization provision in H.R. 3038, Highway and Transportation Funding Act of 2015, Part II. NPGA appreciates your leadership on this important issue and supports the passage of H.R. 3038.

NPGA is the national trade association of the propane industry, having a membership of about 3,000 companies, with 38 state and regional associations representing members in all 50 states. Our membership includes companies engaged in every aspect of the propane supply chain.

One of the sectors that our membership has identified for growth is propane used as a transportation fuel. Today, propane is the third largest engine fuel in the world, after gasoline and diesel. Propane produces far less carbon emissions than these traditional transportation fuels. Public and private vehicles that run on propane are continuing to gain increased market acceptance, particularly with fleet businesses and local governments.

The excise tax equalization provision (Sec. 2008) of H.R. 3038 will treat propane more fairly than the current structure. Since propane has a lower energy content than gasoline, it takes 1.37 gallons of propane to equal the energy in 1 gallon of gasoline. Consequently, on a proportional basis, more excise tax is paid for a gallon of propane than on a gallon of gasoline. But Sec. 2008 takes the appropriate approach to correct this inequity and tax propane on an energy content basis, thereby creating a level playing field across all auto fuels. Ultimately, this allows consumers to choose which fuels work best for them.

Again, thank you for your leadership and including this important provision in H.R. 3038. NPGA is pleased with its inclusion and encourages the passage of H.R. 3038 swiftly through the House of Representatives.

Sincerely,

A handwritten signature in black ink that reads "Rick Roldan". The signature is fluid and cursive, with the first name "Rick" and last name "Roldan" clearly distinguishable.

Richard Roldan
President & Chief Executive Officer
National Propane Gas Association