

Governors' Ethanol Coalition

March 23, 2001

Honorable Norman Y. Mineta
United States Department of Transportation
400 7th St. SW
Washington, D.C. 20590

Dear Secretary Mineta:

Last April, the Governors' Ethanol Coalition wrote to former Secretary Slater expressing our support for the continuation of the alternative fuel vehicle credits available to automakers that manufacture vehicles capable of operating on alternative fuels. As chair and vice chair of the Coalition, Governor Holden and I wish to renew our support for the continuation of the flexible fuel vehicle credit program.

More than 1.5 million flexible fuel vehicles are currently on the road, largely due to the fuel economy credits available to manufacturers who produce these vehicles. We believe these credits are necessary and must be extended to achieve market penetration by flexible fuel vehicles. Without such incentives, alternative fuels, and the supporting infrastructure to make fuels widely available, may not become fully established. Consequently, progress in making alternative fuel vehicle use a viable, cost effective initiative may be jeopardized.

The Coalition recently spearheaded the reorganization of the National Ethanol Vehicle Coalition whose purpose is to promote, market, and establish public E85 fueling systems across the nation. This work is a clear response to the large number of alternative fuel vehicles that are capable of operating on 85 percent ethanol. While our progress has been modest, the extent to which we have accomplished anything at all is due to the existence of these incentives. Therefore, we believe the flexible fuel incentive must be continued and additional incentives created to encourage fuel availability to achieve a meaningful breakthrough in the motor vehicle fuels market.

We understand that you will soon report to the Congress, after consulting with other agencies, on the success of the flexible fuel incentive provisions. We strongly urge the Administration to extend the current incentive for developing flexible fuel vehicles as established in the Alternative Motor Fuels Act of 1988.

Sincerely,

Mike Johanns
Governor of Nebraska and Chair