

Governors' Ethanol Coalition

July 27, 2001

The Honorable Richard B. Cheney
Vice President of the United States
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Vice President Cheney:

As you know, the U.S. Department of Transportation is completing its report to Congress as required by the Alternative Motor Fuels Act of 1988 on the continuation of the alternative fuel vehicle credits available to automakers that manufacture vehicles capable of operating on alternative fuels. This has been an excellent policy that has clearly stimulated the production of vehicles capable of using alternative fuels.

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. The Coalition believes these credits are necessary and must be extended to achieve market penetration by flexible fuel vehicles. Without the incentives, alternative fuels, and the supporting infrastructure to make fuels widely available, may not become fully established. The Coalition, its partners, and the U.S. Department of Energy have spent millions of dollars to launch the nation's ethanol fueling infrastructure. Consequently, progress in making alternative fuel vehicle use a viable, cost effective initiative may be jeopardized. Moreover, the increased demand for ethanol that is generated through the use of the credits is critically important to the farm economies of the Coalition's member states.

Accordingly, on behalf of the Governors' Ethanol Coalition, I urge that the Administration complete its report to Congress and support extending the alternative fuel vehicle credits.

Sincerely,

Mike Johanns
Governor of Nebraska and
Chair

c: The Honorable Norman Y. Mineta
The Honorable Spencer Abraham
The Honorable Christie Whitman
The Honorable Billy Tauzin