



September 24, 2015

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RE: NCWM Proposed DGE Standard for Natural Gas

We, collectively, wish to express our continued support for the diesel gallon equivalent (DGE) standard for natural gas. We continue to advocate for the adoption of the DGE standard and urge the NCWM regional conferences which are meeting this fall to support the DGE proposal by choosing to retain this measure as a voting issue on future agendas.

We were disappointed that the DGE standard failed to be approved at the NCWM Annual Meeting this summer, despite overwhelming industry support and support from the majority of state representatives in attendance. For the second year in a row, the move to adopt the DGE standard was slowed by officials voting in the House of Delegates. These local officials, in some instances, are from states that have already enacted legislation recognizing the merits of the DGE standard. Additionally, these same officials will be called upon to implement the policy that they are voting against. Despite this setback, we are not deterred as we believe the DGE measure is the most rational proposal for a national standard.

The merits of a national DGE standard are clear. In July of this year, the U.S. Congress passed legislation that adjusts the federal motor fuels tax to ensure that LNG, when used on federal highways, will be taxed according to its energy content using the DGE as measurement. This provision will go into effect on January 1, 2016 and ensures that natural gas and diesel-based fuels are taxed at the same rate according to their energy content. Furthermore, ten states have already enacted legislation or adopted regulations

recognizing the DGE as a unit of sale, and twenty-six states are already taxing LNG based upon the DGE. Notably, no state authorities have proposed an alternative to using the DGE for selling LNG.

We believe that through further education and discussion, the voting members of the NCWM House of Representatives and the House of Delegates will recognize the merits of a national DGE standard. As representatives of industries which already embrace the DGE in our commercial practices, we urge the regional conferences to support retaining the DGE proposal that was included in Publication 16 as a voting issue in the upcoming year.

Sincerely,

American Gas Association
American Public Gas Association
America's Natural Gas Alliance
American Trucking Association
National Association of Convenience Stores
National Association of Truck Stop Operators
NGVAmerica
Society of Independent Gasoline Marketers of America
Truck Renting and Leasing Association

Cc:

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