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Opponent Testimony – House Bill 26 Ohio House Finance Subcommittee on Transportation

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Testimony in Opposition of HB 26 Provision that Increases  
Compressed Natural Gas (“CNG”) Motor Fuel Tax

Chairman McColley, Ranking Member Reece, and members of the House Finance Subcommittee on Transportation, thank you for the opportunity to speak to you today House Bill 26, the 2018-2019 state transportation budget. My name is Mike Gatt, Vice President of IGS CNG Services, and I am testifying today in opposition to the provision in HB 26 that would increase the motor fuel tax on CNG to 28 cents a gallon.

- IGS is the largest CNG station owner in Ohio
- CNG is a budding industry that has great potential to bring many benefits to Ohio
- CNG is a cleaner, cheaper and domestic energy source
- However, economies of scale have not developed yet, so cost of buying a CNG vehicle is higher than traditional diesel and gasoline
- HB 26 would impose an additional 28 cent per gallon tax on CNG
- While CNG has great potential, recent events have made it more difficult on the industry
  - Price of diesel dropped dramatically over the last 2 years
  - Federal tax credit of 50 cents per gallon recently expired
- Imposing an additional tax on CNG would cause great harm to the industry that is already facing economic headwinds
- It benefits Ohio greatly to develop CNG industry because we have so much natural gas in Ohio, which creates jobs.
- Raising the fuel tax would not even raise very much money for the State -CNG makes an extremely small percentage of the actual fuel used in the State.

- The legislature should not now impose a tax on CNG which would severely harm the industry, but would raise very limited funds for the State.