

House Energy & Commerce Committee



Republicans

[Bill text](#)

Alternative Fuels for Defense and Aviation

We should promote energy security by using American coal, oil shale, tar sands and other resources to create affordable fuel.

Tax Credit for Alternative Aviation Fuel Blends

- The airline industry predicts that their 2008 fuel bill will be 72 percent higher than last year's. Airlines are cutting expansion plans, raising fares, and slowing down flights to save money on fuel. This credit would expand the fuel sources available to them to help ease some of their price worries.
- The bill also provides an excise tax credit of 50 cents per gallon for using alternative aviation fuels and blends from oil shale and coal-to-liquids.

Long-Term Procurement of Alternative Fuels for Department of Defense

- The bill authorizes the Department of Defense to sign contracts for up to 25 years for fuels derived from coal, oil shale, or tar sands. This long-term contracting authority could provide the security necessary for a private sector company to construct a new coal-to-liquids refinery and jumpstart American alternative fuel production.
- The United States has 270 billion tons of coal reserves and up to 2 trillion barrels of oil shale. If production of coal-to-liquids fuels was ramped up, we could reduce oil imports by over 7.5 million barrels per day by 2025.
- The Air Force is contemplating constructing a \$1.3 billion coal-to-liquids plant at Malmstrom Air Force Base. The facility could produce 22,000 barrels a year initially. The Air Force believes that it would increase our national security by providing an additional domestic source of fuel.