



NEWS

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Administration's Budget Out of Balance With Clean Energy Goals

(Washington, D.C.) -- R. Skip Horvath, president and CEO of the Natural Gas Supply Association (NGSA), made the following statement about the proposed FY 2011 budget proposal that was released by the Administration yesterday:

"The budget proposal released by the Administration yesterday is out of balance with the nation's economic and clean energy goals. Natural gas is a proven, sustainable and domestic fuel that creates jobs, reduces greenhouse gases and provides reliable power to grow our economy. If the Administration is serious about creating jobs and reducing greenhouse gases, it should be looking for ways to encourage natural gas production rather than further burdening the industry with billions of dollars in tax increases.

"Payments from natural gas producers are already one of the largest sources of revenue for the U.S. Treasury. The effective income tax rate on natural gas production, including production taxes, import duties and excise taxes, totaled more than 40 percent in 2008, significantly higher than the statutory U.S. tax rate of 35 percent. Above and beyond taxes, natural gas producers contributed in 2008 more than \$7 billion to the federal government and nearly \$1.5 billion to state governments in royalties and other non-tax payments.

"The Administration should be looking for ways to encourage clean natural gas demand, production and job creation, rather than weighing down natural gas producers with more taxes. America must be able to tap into our plentiful domestic supplies in order to reduce greenhouse gas emissions and provide a reliable source of power to complement intermittent renewable energy sources such as solar and wind. We can do this and create new jobs too, as demonstrated last year in Pennsylvania, where the development of natural gas from shale created approximately 50,000 new jobs.

"We urge the Administration and Congress to improve on this proposal and to produce a budget that provides real balance and growth. "

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NGSA represents integrated and independent companies that supply natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets to ensure reliable and efficient transportation and delivery of natural gas and to increase the supply of natural gas to U.S. customers. For more information, please visit

www.ngsa.org, www.naturalgas.org and www.bluejobs.org

Clean Natural Gas: *Smart, Secure and Essential*