

**Endangered Species Coalition • Environment America • Friends of the Earth
League of Conservation Voters • Natural Resources Defense Council • Sierra Club
The Wilderness Society • Union of Concerned Scientists**

May 26, 2010

Dear Representative:

On behalf of our millions of members and supporters we urge you to support the New Energy Efficient Homes credit and increasing the amount available in the Oil Spill Liability Trust Fund as you consider final tax extenders legislation. Both of these provisions are included in the House amendments to the Senate amendment to HR 4213 – the American Jobs and Closing Tax Loopholes Act of 2010 (hereinafter HR 4213). We are especially pleased to see that the bill does not include extensions of several dirty energy tax credits, including the liquid coal credit and the Volumetric Ethanol Excise Tax Credit (VEETC). We urge you to oppose any efforts to add these dirty energy provisions to the bill.

We support the following provisions in HR 4213:

- **An extension of the New Energy Efficient Home Credit – IRC Sec 45L.** This credit is essential to promoting efficiency in new homes, which creates jobs, reduces consumers' energy bills and decreases global warming pollution. The credit has been a huge success, exceeding even the most optimistic projections for the number of homes built to qualify. According to a Residential Energy Services Network (RESNET) survey, the number of homes qualifying for the credit has grown by over 400 percent from the first year of the credit in 2006, when less than 1 percent of new home sales qualified. 37,506 homes qualified for the credit in 2009, representing 10 percent of new home sales. If the credit is extended, the market share of homes that meet this requirement will likely continue to grow, delivering more jobs, consumer savings, and increased pollution reduction.

- **An increase in the amount available in the Oil Spill Liability Trust Fund.** The Oil Spill Liability Trust Fund is essential to ensure that people, businesses and governments are fully reimbursed for damages resulting from an oil spill. As the BP Gulf oil spill disaster continues, and the staggering costs of clean-up become apparent, it is clear that this fund needs a boost. This provision increases the total amount available in the Oil Spill Liability Trust Fund, which is critical to ensure that funding is on-hand when needed. By also increasing the per incident liability caps and natural resource damage liability caps, this provision helps ensure that Americans and the nation's environment are better redressed when damaged by oil spills.

As you take up HR 4213 this week, we urge you oppose including any of the following dirty energy provisions in the bill:

• **Tax credits for coal to liquids.** Coal to liquids emits nearly twice the global warming pollution on a life cycle basis as conventional fuel. Even if some of the production emissions are captured and stored, liquid coal may still be no cleaner than conventional fuel and poses numerous ecological risks linked to coal mining.

• **An extension of the wasteful annual subsidy for ethanol.** The Volumetric Ethanol Excise Tax Credit (VEETC) wastes over \$5 billion dollars every year subsidizing mature corn ethanol that does nothing to create green jobs, increase energy security, and achieve environmental benefits. Corn ethanol is a mature technology, and while there is substantial controversy around its life-cycle environmental impacts, there is no doubt that those impacts could be lowered .If biofuels are ever to play a meaningful role in our transportation sector, we must move beyond corn ethanol to truly sustainable, advanced biofuels.

HR 4213's extension of the New Energy Efficient Home Credit and increase in the Oil Spill Liability Trust Fund will achieve significant environmental benefits. We urge you to support these provisions and oppose any efforts to include the extension of the liquid coal tax credits or VEETC.

Sincerely,

Leda Huta
Executive Director
Endangered Species Coalition

Scott Slesinger
Legislative Director
Natural Resources Defense Council

Anna Aurilio
Director, Washington DC Office
Environment America

Debbie Sease
National Campaigns Director
Sierra Club

David Hirsch
Managing Director
Friends of the Earth

Michael Francis
Acting Vice President for Public Policy
The Wilderness Society

Tiernan Sittenfeld
Legislative Director
League of Conservation Voters

Lexi Shultz
Legislative Director, Climate and
Energy
Union of Concerned Scientists