

STATEMENT FROM HANK ZIOMEK, VICE PRESIDENT, TITFLEX

UNITED STATES HOUSE OF REPRESENTATIVES

**SUBCOMMITTEE OF SELECT REVENUE MEASURES AND
SUBCOMMITTEE ON OVERSIGHT**

WAYS & MEANS COMMITTEE

Joint Hearing on Energy Tax Policy and Tax Reform

Thursday, September 22, 2011

House Ways and Means Committee Subcommittee Joint Hearing on Energy Tax Policy
and Tax Reform

Thank you for affording me the opportunity to come before your respective committees to speak on behalf of Titeflex, to discuss the promising benefits of natural gas vehicles.

Headquartered in Springfield, MA, Titeflex is in its 95th year of operation with locations in Springfield, Massachusetts; Vista, California; and Laconia, New Hampshire. Titeflex is a subsidiary of Smiths Group plc under the Flex-Tek Division. Smiths Group is a world leader in the practical application of advanced technologies, and delivers products and services for threat and contraband detection, medical devices, energy, communications, and engineered components markets worldwide.

We have a long history of supplying high-quality fluid handling components for fuel, hydraulic, and pneumatic systems ranging from in-plant robotics and automobile brakes to the Space Shuttle landing gear. Titeflex Commercial Group manufactures Polytetrafluoroethylene (PTFE) -- better known as Teflon -- hose and fittings for the Automotive, Industrial, and Aerospace industries and is a leading supplier of CNG flex assemblies to the Natural Gas Vehicle (NGV) market.

I come before you today in strong support of H.R. 1380, the New Alternative Transportation to Give Americans Solutions Natural Gas Act of 2011.

As you have already heard today, the facts about Natural Gas are clear:

- Natural Gas is the cleanest, commercially available fuel for transportation today;
- Domestic reserves of natural gas are estimated to be twice that of petroleum;
- Natural gas has been 25-42 percent cheaper than diesel over the last 14 years;
- 98 percent of all the natural gas consumed in America is produced in North America, while 64 percent of the crude oil we use is imported;
- Natural Gas Vehicles (NGVs) number almost 14 million in-use worldwide. There are only about 110,000 NGVs on U.S. roads today.

With appropriate government policies, use of domestic natural gas to power the nation's fleets and trucks and buses could reach as high as 10 billion gallons per year by 2020 and displace up to 20 percent of diesel fuel. Passage of the NAT GAS Act will help heavy-duty haulers and fleet vehicles to quickly accelerate the introduction of NGVs into their businesses and immediately displace foreign oil.

For Titeflex, total sales have increased by over 50% the past two years while sales related to the natural gas vehicle market have increased over 400%! There has also been a 12% increase in overall employment for the Titeflex Commercial Division. However, the employment increase related to the processes that support the natural gas vehicle market increased 41% over the same period! When reviewing the Titeflex sales history from the first full year when tax credits began for natural gas vehicles and infrastructure (2006), the sales increase has been over 600%. This growth shows that targeted incentives work.

Smiths recently invested more than \$4 million in the Titeflex plant infrastructure and advanced technology. The development of growth markets, such as natural gas powered vehicles, has enhanced Titeflex's long-term outlook. Just this past year, we have employed more than 100 local construction and trades people in Springfield, MA, which is contributing to the local economy.

We support the NAT GAS Act because it will help us to continue to grow our business faster and hire more workers. But the benefits of this legislation go beyond our business. This legislation will achieve a true "step change" that will advance technology deployment, lower overall costs to users, further enhance employment, and bring the United States closer to energy independence.

To close, the NAT GAS Act provides a limited, five-year program that accelerates wider adoption of this American vehicle fuel. This legislation is a real solution to our nation's challenges. On behalf of the employees of Titeflex, thank you again for affording me the opportunity to address the committee.