

**LIBERTARIAN U.S. SENATE  
CANDIDATE CALLS FOR  
TAX-FREE HYDROGEN FUEL**

**Atlanta, January 29, 2008** – Allen Buckley, who is seeking the nomination of the Libertarian Party of Georgia for the 2008 U.S. Senate seat currently held by Saxby Chambliss, has called for exemption from taxation of hydrogen fuel for vehicles.

Recently, major automobile producers have made tremendous progress in developing cars that run on hydrogen. The process burns cleanly by mixing oxygen and hydrogen molecules through an electric field in a fuel cell to produce electricity and a water byproduct. The electricity powers the car. The water (or steam) is released into the environment. According to the U.S. Department of Energy (DOE): “Fuel cells directly convert the chemical energy in hydrogen to electricity, with pure water and potentially useful heat as the only byproducts.”

Daimler AG and Ford Motor Company recently announced a new joint venture called Automotive Fuel Cell Cooperation, that will focus on developing fuel cell technology. General Motors currently has 100 fuel-cell-operated vehicles on the road. Honda and BMW have also manufactured, and are testing and refining, cars that run on hydrogen. BMW’s hydrogen vehicles can run on either gas or hydrogen. Chevron and BP are working on hydrogen fuels.

While technology now exists to produce hydrogen at the equivalent of between \$1.50 and \$3 per gallon of gasoline, the production pricing is expected to dramatically decline in the future. Very importantly, hydrogen engines are two to three times more efficient than the internal combustion engine, meaning that \$3 for hydrogen equates to approximately 63 cents to \$1.50 per gallon of gas.

Hydrogen can be made from water through numerous methods, including electrolysis. Any form of energy that can be used to make electricity can be used to make hydrogen, including wind, solar, nuclear and hydro-electric power. Hydrogen can also be produced by combining natural gas and steam, through a process called “steam methane reforming.”

The DOE has also reported that “fuel cell vehicles running on hydrogen produced from natural gas would use less energy and emit less carbon than both gasoline hybrid electric engines and conventional internal combustion engine vehicles.” On a “well to wheels” basis, the DOE concluded that the greenhouse gas reduction would be 50 percent with respect to conventional vehicles, and 25 percent with respect to hybrids.

The DOE also concluded that using natural gas to produce hydrogen in the near term would increase overall U.S. natural gas consumption by less than three percent. So, hydrogen could be produced whenever natural gas exists, including at filling stations.

Scientists at numerous companies are now working on perfecting fuel cells and storage tanks in vehicles. Long-term sources for hydrogen production that burn completely or virtually free of greenhouse gas emissions are also being analyzed.

Currently, an excise tax of 18.4 cents per gallon applies to purchases of gasoline. Buckley proposes that the excise tax system be changed so that the cleaner a fuel’s emissions, the less excise tax that is charged with respect to its purchase. A totally clean fuel such as hydrogen would bear no excise taxes. The excise tax on gasoline would be increased as hydrogen-powered vehicles become more commonplace. For example, if in the future half of the vehicles utilize gasoline and half of the vehicles utilize hydrogen, the excise tax on gasoline purchases would be 36.8 cents per gallon (i.e. double the current rate), while there would be no excise tax on hydrogen purchases.

Buckley said: “We need to protect the environment. The conversion to hydrogen will happen. It could create an economic boon, while simultaneously combating global warming and reducing health problems. We now need an economic catalyst. Hydrogen will also substantially diminish the dependence of the U.S. on foreign oil. We should embrace this new technology now, instead of protecting the oil industry as Saxby Chambliss and the Republicans have done. I hereby ask the other U.S. Senate candidates to supply their positions with respect to this important matter.”

Mr. Buckley’s web site is [www.buckleyforsenate.com](http://www.buckleyforsenate.com). Mr. Buckley can be reached at (404) 962-1042.