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Dear Committee on Ways and Means:

Extreme Energy Solutions, Inc. of Ogdensburg, New Jersey, is submitting the following proposals for consideration in the tax reform initiative being undertaken by the Congress. Background on our company and our proposals follows.

Extreme Energy Solutions, Inc. has developed, tested, verified in trials, marketed, installed and delivered its automobile engine SMART Emissions Reducer retrofit devices for gasoline and diesel engines. The device mitigates emissions and improves fuel economy by addressing the source of emission problems: an incomplete burn of fuel. The device is installed by a dealership, garage, or manufacturer on the crankcase ventilation tube on an engine. When emissions gasses pass through the catalysts in the device, the structure of the heavy unburnable gasses are broken down into lighter burnable gasses that then re-enter the vehicle air fuel stream mixing with heavier fuel, thus creating a fuel mixture that has a better rate of combustion. Thus the device assists in creating better combustion efficiency, hence producing lower emissions and better fuel economy. The following gasses have been reduced from emissions in field tests: particulate matter, CO, CO₂, NO_x and HC/THC.

The company proposes the following tax provisions to enhance consumer availability and installation of such non-tailpipe, production side engine devices that recycle crankcase emission gasses into a reusable form. Cumulatively, these devices can make an appreciable impact on reducing air pollution from mobile sources while increasing fuel economy. The following tax provisions are recommended.

- (1) A tax credit for consumers or installers (dealerships and service stations) that covers the cost of the device (a non-electronic, commercially available production-side (non-tailpipe) catalysts that recycles crankcase emission gasses for reuse in combustion) and installation, up to \$600 per device.
- (2) A tax credit that covers the cost of the device (a non-electronic, commercially available production-side (non-tailpipe) catalysts that recycles crankcase

emission gasses for reuse in combustion) and installation for commercial end users who install the device on fleet vehicles, up to \$1,000 per device.

- (3) For commercial users, expensing in one year of the cost of the device and installation.
- (4) A tax credit to OEMs to install non-electronic, commercially available production-side (non-tailpipe) catalysts that recycles crankcase emission gasses for reuse in combustion, up to \$450 per unit.
- (5) A tax credit for each manufacturer (or OEM end user) of non-electronic, commercially available production-side (non-tailpipe) catalysts that recycles crankcase emission gasses for reuse in combustion that are demonstrated to reduce emission gasses including two of the following: particulate matter, CO, CO₂, NO_x, HC/THC, up to 6,000,000 of such devices procured from third party vendors per manufacturer.
- (6) An energy R & D tax credit for production and ... of devices that are non-electronic, commercially available production-side (non-tailpipe) catalysts that recycles crankcase emission gasses for reuse in combustion that are demonstrated to reduce emission gasses including two of the following: particulate matter, CO, CO₂, NO_x and HC/THC.

These provisions are justified as they fulfill the federal policy objective of providing innovative methods to address two desired outcomes: reducing fossil fuel consumption (by increasing fuel efficiency) and reducing air emissions and reducing emissions.