



October 18, 2016

The Honorable Paul Ryan  
Speaker of the U.S. House  
Washington, DC 20515

The Honorable Nancy Pelosi  
U.S. House Democratic Leader  
Washington, DC 20515

The Honorable Mitch McConnell  
U.S. Senate Majority Leader  
Washington, DC 20510

The Honorable Harry Reid  
U.S. Senate Democratic Leader  
Washington, DC 20510

The Honorable Kevin Brady  
Chairman  
U.S. House Committee on  
Ways and Means Means  
Washington, DC 20515

The Honorable Sander Levin  
Ranking Democratic Member  
U.S. House Committee on  
Ways and Means  
Washington, DC 20515

The Honorable Orrin Hatch  
Chairman  
U.S. Senate Finance Committee  
Washington, DC 20510

The Honorable Ron Wyden  
Ranking Democratic Member  
U.S. Senate Finance Committee  
Washington, DC 20510

Dear Speaker Ryan, Democratic Leader Pelosi, Majority Leader McConnell, Democratic Leader Reid, Chairman Brady, Ranking Member Levin, Chairman Hatch and Ranking Member Wyden:

Before Congress adjourns for the year, the Biotechnology Innovation Organization (BIO) respectfully requests Congress provide a multi-year extension of advanced biofuel tax incentives that are currently slated to expire at the end of 2016.

Ensuring further growth in the advanced biofuels industry will require additional support and greater policy certainty going forward. As such, we encourage Congress to advance a multi-year extension of the Second Generation Biofuel Producer Tax Credit, the Special Depreciation Allowance for Second Generation Biofuel Plant Property, the Biodiesel and Renewable Diesel Fuels Credit, and the Alternative Fuel Vehicle Refueling Property, as a part of any year-end tax package.

Since 2009, the advanced and cellulosic biofuels industry has invested billions of dollars to build first-of-a-kind demonstration and commercial-scale biorefineries across the country. As a result, five commercial scale cellulosic biorefineries with a combined capacity of more than 50 million gallons within the United States are now online. Overall, the biofuels industry creates \$184.5 billion of economic output, 852,056 jobs, and \$46.2 billion in wages and \$14.5 billion in taxes each year in the United States. With the extension of the suite of advanced biofuel tax incentives, the industry will be able to access the long-term investment necessary for advanced biofuels to grow. However, without the certainty of a long term extension of these incentives, the ability to raise capital to expand advanced biofuel production will be difficult.

These biofuels are also working to reduce greenhouse gas emissions. Advanced biofuels must achieve a 50 percent greenhouse gas (GHG) emissions reduction compared to baseline lifecycle GHG emissions and cellulosic biofuels must achieve a 60 percent GHG emission



reduction. Since 2005, biofuels have reduced greenhouse gas emissions by over 589 million metric tons and displaced nearly 1.9 billion barrels of foreign oil by replacing fossil fuels with homegrown biofuels. Stimulating the growth of advanced and cellulosic biofuels with a lower GHG emission profile will spur an even greater reduction of emissions and the use of foreign oil.

BIO is well aware of the financial constraints facing this country. However, the United States' global competitors are offering tax incentives for advanced biofuels and are attracting construction of new facilities. As such, as Congress examines the extension of tax provisions before the end of the year, we hope members recognize the value of the advanced biofuels industry to our nation's energy security, economy, and environment. We look forward to working with you on this important matter.

Sincerely,

A handwritten signature in black ink that reads "Brent Erickson". The signature is fluid and cursive, with a prominent flourish at the end.

Brent Erickson  
Executive Vice President  
Biotechnology Innovation Organization (BIO)