

May 17, 2010

The Honorable Sander Levin
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Dave Camp
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Levin and Ranking Member Camp:

We write today as leading developers of next generation biofuels to ask that you include the *Grow a Renewable Energy Economy Now – Jumpstart Other Biofuels Act of 2010* (GREEN JOBS), H.R. 5142, in the next appropriate revenue vehicle that the House considers.

Domestic production of next generation biofuels will reduce our dependence on foreign oil and emissions of carbon dioxide while creating thousands of high-quality, domestic green jobs. Direct job creation from the cellulosic biofuels volumes in the Renewable Fuel Standard (RFS) alone could reach 190,000 by 2022, with total job creation over 800,000. This bill will open the door to creating those jobs.

By providing cellulosic biofuels developers an investment tax credit election with an option of a refundable credit, this legislation builds on the concept of the successful tax treatment established by your committee for renewable electricity technologies, providing pioneering next generation biofuels developers with critical flexibility in electing the form of tax incentive that best suits a given project. In the current economic environment, financing of first-of-a-kind commercial-scale facilities, such as those we are seeking to build, is especially challenging. In many cases, the ability to elect a refundable ITC could make the difference between timely initiation of planned projects and further delay.

The bill also rightfully includes algae-based fuels as eligible for the underlying Cellulosic Biofuel Production Tax Credit (IRC Section 40(a)), refundable ITC election, and Cellulosic Bonus Depreciation Incentive (IRC Section 168(l)). Algae-based fuels possess the same favorable characteristics as cellulosic biofuels in terms of job creation, energy security, and environmental profile, and merit strong federal support. We hope that obtaining parity for algae-based biofuels will rapidly open the doors to financing of the first commercial scale algae-based fuels production.

Finally, by extending these incentives through 2016, this bill will provide American businesses the certainty they need to make long-term investments in new cellulosic and algae-based biofuel facilities. Because most of the next generation biofuel facilities currently planned would not begin producing commercial volumes until 2012 or beyond, the credits as currently structured do not provide adequate investor certainty. Extending the credits through 2016 will overcome this limitation and help get plants built today.

The United States is a leader in the research and development of next generation biofuels technologies, but to maintain that lead we must invest in the businesses putting that green technology to work in our economy. The incentives contained in the GREEN JOBS Act, H.R. 5142, will jumpstart the commercialization of a new generation of clean, renewable, domestic fuels. It is for this reason that we strongly urge you to include this legislation in the next appropriate vehicle.

Again, thank you for your leadership on this important issue.

25x'25 Alliance	Life Technologies Corporation
Algal Biomass Organization	Lignol Innovations
Algenol Biofuels	Maryland Biotechnology Center
BayBio	Mendel Biotechnology
BioEnergy International	MichBio
BioForward	Myriant Technologies
Biotechnology Industry Organization	Novozymes
Ceres	Plum Creek Timber Company
CMEA Capital	PPG Industries
Coskata	Sapphire Energy
Culturing Solutions	Solazyme
DuPont	Targeted Growth
DuPont Danisco Cellulosic Ethanol	Terrabon
Edenspace Systems	The Dow Chemical Company
Genencor, A Danisco Division	Verenium
HA International	ZeaChem
Hexion Specialty Chemicals	Zymetis
HR BioPetroleum	