

December 1, 2010

**The Honorable
U.S. House of Representatives
Washington, DC 20515**

Dear Honorable Sander Levin and Honorable Dave Camp,

We applaud your ongoing leadership on strengthening U.S. manufacturing and reducing our reliance on imported products. The recently released draft bill, *Domestic Manufacturing and Energy Jobs Act of 2010*, would help create significant investment in domestic manufacturing to create jobs, build facilities, and ensure that clean energy technologies of the future are developed in the United States. An important technology platform for reducing our reliance on petroleum which the bill does not currently address is renewable chemicals and biobased products. Renewable chemicals and biobased materials platforms provide real opportunities to create green jobs in the U.S., reduce our dependence on foreign oil, increase energy security and reduce greenhouse gas emissions.

The undersigned organizations and businesses wish to express strong support for enactment of a production tax credit for biobased products to incent the production and use of these materials. By providing a biobased tax credit, Congress can create jobs and other economic activity and also help secure America's leadership in the important arena of green chemistry.

Most chemicals and plastics used today are made from petroleum. Thanks to advances in industrial biotechnology, many of these materials and innovative new products can be made from renewable feedstocks. Current biomaterials production includes bioplastics used in everything from cups to carpets to cars, green airplane deicing compounds and cosmetics. Most of these products are competing in markets presently dominated by petroleum based products, and biobased products still make up only a small percentage of total chemicals and materials sales.

The U.S. has the potential to become the world leader in the biobased products market, as we are currently home of the most advanced in renewable chemicals technology and intellectual property, and have access to a wide range of renewable feedstocks that can be sustainably produced. Biobased products represent a historic opportunity to revitalize the U.S. chemicals and plastics industry, which has seen hundreds of thousands of jobs move overseas in the past decade. The biobased products industry has created or saved 40,000 jobs thus far, and achieving the industry's full potential could create tens of thousands of high-paying green jobs in the U.S. over the next few years. Promoting the development of the biobased products sector can also provide significant economic benefit to the U.S., as half the value of a barrel of oil comes from chemicals. Additionally, biobased

products can provide environmental and energy security benefits, and can help reduce the approximately 30 billion gallons of oil used annually in the U.S. for chemicals and plastics.

The biobased products industry currently faces significant hurdles in reaching the economies of scale achieved by today's petroleum-based products and in competing with the existing petroleum-based plastics industry. While U.S. policy has appropriately encouraged and supported the development of the biofuels sector to the benefit of rural economies, the environment, and national security, Federal tax policy has largely failed to recognize and foster the substantial benefits provided by non-fuel renewable chemicals and biobased products.

Our organizations and companies respectfully urge the inclusion of a production tax credit for biobased materials in the final version of the *Domestic Manufacturing and Energy Jobs Act of 2010* that will move us rapidly towards reduced dependence on imported petroleum, a cleaner environment and stronger rural economies. We have shared suggested language with Ways and Means Committee staff and would welcome the opportunity to work on this draft bill or other appropriate legislation.

Sincerely,



