



March 24, 2014

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Orrin G. Hatch
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

RE: Extension of Expired Advanced Biofuels Tax Credits

Dear Chairman Wyden and Ranking Member Hatch:

As the Senate Finance Committee begins its work on tax extenders, we encourage you to extend the suite of critical advanced biofuels tax incentives – 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 and Alternative Fuel Mixture Excise Tax Credit.

These credits expired on December 31, 2013, leaving advanced biofuel developers in limbo as Congress debates whether to extend these important provisions. These credits are vital to the ongoing development of the advanced biofuels industry. To ensure stability in the marketplace, Congress should extend these provisions for multiple years, and make them retroactive to the beginning of the year.

The advanced biofuels industry is at a critical stage of development. Despite a difficult financial market, we are now operating commercial plants across the country and continue to make progress on dozens of additional projects in the final stages of development. Advanced biofuel tax credits have allowed the biofuels industry to make great strides in reducing the cost of production and developing first-of-kind technologies to deploy the most innovative fuel in the world.

As leaders in a critical innovation sector in the United States, we are well aware of the financial constraints facing this country. However, the United States' global competitors are offering tax incentives for advanced biofuels and in fact are attracting construction of new facilities – and associated high skilled jobs. If Congress wants American companies to continue developing these homegrown technologies in the United States, it must extend these credits. Biofuel producers are also competing with incumbent fossil energy industries who continue to enjoy tax incentives on a permanent basis.

In the interests of energy security, job creation, global competitiveness, and forward-looking policy, we urge you to move quickly to extend expired advanced biofuel tax provisions for multiple years retroactive to January 1. We look forward to working with you on this important matter.