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We Connect the World



April 12, 2019

The Hon. Charles Grassley
Chairman
U.S. Senate Finance Committee
Washington, DC 20510

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

Dear Chairman Grassley and Ranking Member Wyden:

As Congress pursues opportunities to extend or renew expired tax credits, the aviation industry strongly supports an extension of the biodiesel tax incentive under Section 40A as included in S.617, the *Tax Extender and Disaster Relief Act*. As you know, under this provision, sustainable alternative jet fuels (SAJF) are eligible for the credit and the industry has made important advancements as a result. An extension of this credit will provide the industry with the stability necessary to continue investing in technology that will generate economic and environmental benefits with globally significant impacts.

The use of SAJF is growing; we have long-since progressed from test flights to commercial, military and an array of business aviation flights powered by a blend of sustainable and conventional jet fuel. As an example, a set of commercial airlines and business aviation companies are receiving SAJF in commercial quantities from a previously mothballed refinery facility in California, which was repurposed for alternative fuel production. As the SAJF meets the rigorous jet fuel specification, it is a “drop-in” fuel that can be delivered to the common storage and fuel distribution systems at an airport and blend seamlessly with petroleum-based jet fuel to power all turbine aircraft departing from that airport. And a number of additional commercial and business aviation companies have or are seeking offtake agreements for future supply. While we have made significant progress, we must scale up supply and enhance cost-competitiveness to get the nascent SAJF industry over the cusp.

The U.S. aviation industry is committed to continuing to improve on our strong fuel efficiency record and to further enhancing our nation’s energy security through various means including the deployment of SAJF. We are part of a global aviation coalition committed to significant fuel efficiency improvements through 2020 and a goal to achieve carbon neutral growth in international aviation from 2020, subject to critical aviation infrastructure, technology, operations and sustainable fuels advances by government and industry. We are committed to doing our part, including through our public-private Commercial Aviation Alternative Fuels

Initiative (CAAFI), a forum that brings together government, manufacturers, fuel suppliers, and other aviation stakeholders to promote research, production, and use of alternative aviation fuels. But the biodiesel tax incentive remains critical to our efforts.

We strongly support your leadership on this issue, which will enable the aviation industry to continue our progress in improving efficiency and reducing emissions. The production of SAJF also supports job growth and economic opportunity. We look forward to working with you on this important effort.

Sincerely,

Airlines for America
Airline Pilots Association
Cargo Airline Association
General Aviation Manufacturers Association
National Air Transportation Association
National Business Aviation Association
Regional Airline Association