May 20, 2021

The Honorable Bradley S. Schneider
U.S. House of Representatives
300 Cannon House Office Building
Washington, D.C. 20515

The Honorable Julia Brownley
U.S. House of Representatives
2262 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Daniel T. Kildee
U.S. House of Representatives
200 Cannon House Office Building
Washington, D.C. 20515

Dear Representatives Schneider, Kildee, and Brownley:

As organizations committed to addressing climate change, we are writing to express our strong support for the Sustainable Skies Act. This bill will help increase the production and uptake of sustainable aviation fuel (SAF) and reduce the aviation sector's reliance on petroleum-based jet fuel, ensuring real reductions in aviation emissions. We applaud you for introducing this bill and stand ready to assist in whatever way we can to ensure the measure is approved by both chambers of Congress.

The legislation establishes a $1.50 - $2.00 per gallon blender's tax credit for SAF that achieves at least a 50 percent reduction in lifecycle greenhouse gas (GHG) emissions compared to conventional jet fuel, with the precise amount of the credit linked to the SAF's GHG emissions performance. We firmly believe this performance-based tax credit will spur the production of SAF and help make the low-carbon alternative to

conventional jet fuel more cost-competitive, while driving the SAF industry towards investing in SAF with the greatest emissions reduction potential. This, in turn, will benefit not only the nascent SAF industry as well as the aviation industry, which as you know is often described as a hard-to-decarbonize industry, but also the flying public and, ultimately, the entire country as our nation strives to meet the challenge posed by climate change. Notably, a broad coalition of environmental and other stakeholder groups, having called for the establishment of a SAF blender's tax credit (and other SAF tax credits) in their February 22, 2021, letter to the leaders of the House and Senate, agrees.[1]

Recognizing that improving fuel efficiency with today's petroleum-based energy supply can only take us so far, the aviation industry is keenly focused on energy transition. In that regard, SAF is one of the most important levers available to reduce aviation emissions. And SAF is particularly vital since, unlike the ground transportation sector, significant segments of aviation cannot electrify in the near- to medium-term and will remain reliant on liquid fuel for years to come.

Despite the aviation industry's concerted efforts, there is very limited availability of SAF today, and the SAF that is available is significantly more expensive than conventional jet fuel. Moreover, SAF is not currently competitive with similar low-carbon transportation fuels for the ground sector in part due to the incumbent status of those fuels and a policy environment that favors them at the federal and state level. The Sustainable Skies Act would help immensely in the effort to scale up the supply of SAF, enhance its cost-competitiveness with conventional jet fuel, provide needed policy parity, and transition the SAF industry from its current nascent stage to a mature industry capable of providing airlines, general and business aviation, and other users with sizable quantities of the low-carbon fuel at commercially reasonable prices.

The blender's tax credit is technology- and feedstock-neutral in that it would define SAF broadly to encompass liquid aviation fuel derived from biomass as well as the other sustainable feedstocks that are under development, including waste streams (e.g., municipal solid waste) and captured carbon. Importantly, only SAF that meets the 50 percent lifecycle GHG emissions reduction threshold would qualify for the performance-based credit, a threshold that does not exist under the biodiesel and renewable diesel credit in section 40A of the tax code. The $1.50 - $2.00 per gallon credit amount will go a long way towards eliminating the policy disincentives and other factors that motivate advanced biofuel producers to focus on renewable diesel for the ground transportation sector rather than on SAF production, while the 10-year horizon set forth in the bill would provide these producers with much-needed stability and certainty to promote investment in SAF development.

Make no mistake, SAF is of critical importance to the aviation sector and its efforts to minimize GHG emissions. We all need the SAF industry to be scaled up successfully so that aviation, and our nation, can meet its climate goals. A performance-based blender's tax credit is not the only policy we would like to see put in place for SAF, but it is in our view the most significant. We wholeheartedly support your bill, thank you for your leadership on this key issue, and reiterate that all of us stand ready and willing to assist in ensuring that the Sustainable Skies Act makes it to the President's desk.

Sincerely,

Accelergy
Aerospace Industries Association
Airbus
Aircraft Owners and Pilots Association
The Airline Passenger Experience Association
Air Line Pilots Association, International
Airlines for America
Airports Council International – North America

[1] *See* https://www.edf.org/sites/default/files/press-releases/Climate%20Investment%20Strategy%20-%20Coalition%20Letter%20and%20Attachment%20-%20February%202021.pdf.

Alaska Airlines, Inc.
Algae Biomass Organization
American Airlines
American Association of Airport Executives
Association of Flight Attendants – CWA
Atlas Air Worldwide
Avfuel
Biotechnology Innovation Organization
Bombardier
Boom
The Boeing Company
Cargo Airline Association
Delta Air Lines
DHL
Embraer
Exosonic, Inc.
FedEx Express
Fulcrum BioEnergy
GE Aviation
General Aviation Manufacturers Association
Gevo
Global Business Travel Association
Gulfstream
Hawaiian Airlines
International Air Transport Association
International Flight Services Association
JetBlue Airways
LanzaJet
LanzaTech
National Air Carrier Association
National Air Transportation Association
National Business Aviation Association
Neste
NetJets
NetJets Association of Shared Aircraft Pilots
Port of Portland
Port of Seattle/Seattle-Tacoma International Airport
Pratt & Whitney
Red Rock Biofuels
Regional Airline Association
San Francisco International Airport
Shell Aviation
Signature Aviation
Simonpietri Enterprises
Southwest Airlines
Southwest Airlines Pilots Association
Travelers United
United Airlines
United Parcel Service
U.S. Travel Association
Velocys
World Energy
World Fuel Services