



April 2, 2021

The Honorable Pete Buttigieg  
 Secretary of Transportation  
 U.S. Department of Transportation  
 1200 New Jersey Avenue, SE  
 Washington, D.C. 20590

The Honorable Gina McCarthy  
 National Climate Advisor  
 Executive Office of the President  
 1650 Pennsylvania Avenue, NW  
 Washington, D.C. 20502

The Honorable Brian Deese  
 National Economic Council Director  
 Executive Office of the President  
 1600 Pennsylvania Avenue, NW  
 Washington, D.C. 20500

Dear Secretary Buttigieg, National Climate Advisor McCarthy, and Director Deese:

The undersigned organizations, representing aviation industry stakeholders including passenger and cargo carriers, business and general aviation, aircraft and engine manufacturers, airports, pilots, flight attendants, and aviation fuel suppliers as well as airline passengers and sustainable aviation fuel (SAF) producers within the advanced biofuels industry, write today to urge the Biden-Harris Administration to support the inclusion of a SAF-specific blender's tax credit in the *American Jobs Plan* as you work with Congress to address infrastructure and the climate challenge. Congress has already indicated support for a SAF blender's tax credit and recognized such a credit as the most efficient way to decarbonize the aviation industry while creating green jobs and opportunity for other sectors to join the clean energy economy.

Made from non-petroleum feedstocks, SAF is widely considered to hold the greatest near-term potential for reducing aviation's climate impact, as it can reduce lifecycle greenhouse gas (GHG) emissions by up to 80% compared to conventional (petroleum-based) jet fuel, with even greater reductions possible in the future.<sup>1</sup> Unfortunately, despite the concerted efforts of many in the aviation sector, and despite the \$1.00 per gallon credit for biomass-derived SAF in section 40A of the Federal tax code, there is very limited availability today, and the SAF that is available is significantly more expensive than conventional jet fuel.<sup>2</sup>

We appreciate the comments made by then-candidate Biden in the *Biden Plan to Build a Modern, Sustainable Infrastructure and an Equitable Clean Energy Future*, which called for “transform[ing] the energy sources that power the transportation sector, making it easier for mobility to be powered by electricity and clean fuels . . . .”<sup>3</sup> Similarly, in the *Biden Plan for a Clean Energy Revolution and Environmental Justice*, then-candidate Biden indicated that he would “pursue measures to incentivize the creation of new, sustainable fuels for aircraft . . . .”<sup>4</sup>

Nothing, in our view, would incentivize SAF production and deployment more than a technology- and feedstock-neutral blender's tax credit that is specific to SAF. We implore the Biden-Harris Administration to add to its infrastructure package a 10-year, \$1.50 - \$2.00 per gallon SAF blender's tax credit that would be in lieu of the existing \$1.00 per gallon credit under section 40A. Only SAF that achieves at least a 50% lifecycle GHG emissions reduction compared to conventional jet fuel should qualify for the new performance-based credit, with each percentage point of reduction above 50% garnering an additional penny on top of the \$1.50 base amount, up to a maximum of \$2.00 per gallon for SAF that achieves a 100% GHG emissions savings. This escalation mechanism would encourage producers to develop SAF with the greatest emissions reduction potential.

Such a tax credit would accelerate the production of SAF in the U.S. and simultaneously make the low-carbon fuel more affordable for airlines, general and business aviation, and other users. Enhanced SAF production and deployment, of course, would enable the aviation industry to continue its progress in improving efficiency and reducing its emissions, and support U.S. job growth and energy security. Moreover, it would, to use the words of the *American Jobs Plan* itself, “position the United States as a global leader in clean . . . aviation.”

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<sup>1</sup> Coupled with other technologies or practices, SAF may one day even be emissions-negative on a lifecycle basis, meaning that for each gallon of SAF used in an aircraft, carbon dioxide is removed from the atmosphere.

<sup>2</sup> The U.S. Environmental Protection Agency reports (under the Renewable Fuel Standard program) that just over 2.4 million gallons of neat (100%) SAF were produced in the U.S. in 2019, which compares to the 21.5 billion gallons of conventional jet fuel used by U.S. airlines in 2019 – meaning that SAF comprised just over 0.01% of the nation's total jet fuel supply that year.

<sup>3</sup> See <https://joebiden.com/clean-energy/>.

<sup>4</sup> See <https://joebiden.com/climate-plan/>.

In sum, understanding that the Plan released earlier this week is “the beginning of a process,” we respectfully urge that a SAF-specific blender’s tax credit be added to the Plan going forward.

Sincerely,

*Aerospace Industries Association  
Airbus  
Aircraft Owners and Pilots Association  
The Airline Passenger Experience  
Association  
Airlines for America  
Airports Council International – North  
America  
Air Line Pilots Association, International  
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  
Boom  
The Boeing Company  
Cargo Airline Association  
Delta Air Lines  
FedEx Express  
Fulcrum BioEnergy  
GE Aviation  
General Aviation Manufacturers Association  
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  
Red Rock Biofuels  
Regional Airline Association  
San Francisco International Airport  
Southwest Airlines  
Southwest Airlines Pilots Association  
Travelers United  
United Airlines  
U.S. Travel Association  
Velocys  
World Energy*