The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Richard Neal
Chairman
House Committee on Ways & Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Charles Schumer
Senate Majority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Ron Wyden
Chairman
Senate Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, D.C. 20510
April 22, 2022
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Dear Speaker Pelosi, Majority Leader Schumer, Chairman Neal, and Chairman Wyden:

As a broad coalition of aviation industry stakeholders—including passenger and cargo carriers, clean fuel producers, engine and aircraft manufacturers, labor unions, airports, business and general aviation, airline passengers, trade associations, and think tanks—committed to decarbonizing aviation, we write to express our strong support for a new, long-term, technology- and feedstock-neutral tax incentive for sustainable aviation fuel (SAF). We believe the most important action Congress can take to support the decarbonization of the aviation sector is to enact a blender’s tax credit specifically aimed at incentivizing the production and use of SAF.

SAF is a low-carbon, drop-in replacement for conventional jet fuel derived from biomass or other sustainable feedstocks, including wastes and residues, cellulosic feedstocks, waste gases, and captured CO$_2$. SAF can reduce lifecycle greenhouse gas (GHG) emissions by 80 percent or more compared to fossil jet fuel, while also significantly reducing conventional emissions like particulate matter and improving air quality and public health.

SAF is widely considered to be the most critical driver of aviation decarbonization, as electrification and other advanced propulsion technologies are currently infeasible for the medium- and long-haul flights that account for the vast majority of aviation’s GHG emissions. With aviation’s reliance on liquid fuels continuing for the coming decades, the Administration’s Aviation Climate Action Plan and SAF Grand Challenge appropriately recognize the need to rapidly scale the SAF industry this decade. Doing so will enable the Administration’s goal of 3 billion gallons of SAF by 2030 and 100% SAF by 2050, representing an estimated 35 billion gallons.\(^1\) As outlined in the Grand Challenge, a SAF tax credit is the foundation of the Administration’s whole-of-government approach to building a domestic SAF industry and leading the energy transition for the global aviation industry. Indeed, last week President Biden stressed the importance of SAF and reiterated his support for a SAF tax credit to enable a zero-carbon aviation sector in 2050.\(^2\)

Our organizations share the Administration’s goal of rapidly scaling the SAF industry to enable aviation decarbonization. The SAF-specific blender’s tax credit of $1.50 to $2.00 per gallon that was introduced in the Sustainable Skies Act (H.R. 3440/S. 2263) would promote and accelerate investment in the nascent domestic SAF industry while upholding rigorous environmental standards and ensuring that fuels that achieve the greatest reduction in emissions are eligible for the greatest tax incentive.

We believe Congress should address several principles as it considers a SAF tax credit. First, the value of the credit should be sufficiently robust to both eliminate significant existing SAF production disincentives as well as encourage rapid investment in the sector. Second, so as not to unintentionally create new disincentives for SAF, the same lifecycle GHG emissions models should be used for all fuels to determine environmental benefits. Finally, Congress should apply equivalent environmental criteria, including minimum lifecycle GHG emissions thresholds, to all transportation fuels.

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SAF is of critical importance to the aviation sector, and the SAF blender’s tax credit is an important foundational policy to establish a new domestic SAF industry and create tens of thousands of jobs. It is imperative that we act today to ensure that our energy sources are cleaner, more sustainable, and more secure. Our organizations stand ready to work with Congress to ensure we meet our shared goal of a net-zero aviation industry by 2050. Thank you for your leadership and consideration.

Sincerely,

Aerospace Industries Association  Helicopter Association International
Airbus  Honeywell
Air Company  Infinium
Aircraft Owners and Pilots Association  International Air Transport Association
Airline Passenger Experience Association  International Flight Services Association
Air Line Pilots Association  JetBlue
Airlines for America  LanzaJet
Airports Council International – North America  LanzaTech
Air Transport Services Group  Marquis Sustainable Aviation Fuel
Alaska Airlines  National Air Carrier Association
Alder Fuels  National Air Transportation Association
Algae Biomass Organization  National Association of State Aviation Officials
American Airlines  National Business Aviation Association
American Association of Airport Executives  Neste
American Express Global Business Travel  NetJets
Association of Flight Attendants - CWA  NetJets Association of Shared Aircraft Pilots
Atlas Air Worldwide  Port of Portland
Avfuel  Port of Seattle/Seattle-Tacoma International Airport
Biotechnology Innovation Organization  Pratt & Whitney
The Boeing Company  Red Rock Biofuels
Bombardier  Regional Airline Association
Boom  Renewable Fuels Association
Business Aviation Coalition for Sustainable Aviation Fuel  Rolls Royce
Carbon Engineering  San Francisco International Airport
Cargo Airline Association  Shell Aviation
Cincinnati/Northern Kentucky International Airport  Signature Aviation
Delta  SkyNRG Americas
DHL  Southwest Airlines
Embraer  Southwest Airlines Pilots Association
FedEx Express  Third Way
Fulcrum BioEnergy  Travelers United
GE Aviation  United Airlines
General Aviation Manufacturers Association  United Parcel Service
Gevo  U.S. Travel Association
Global Business Travel Association  Velocys
Green Plains  VeriJet
Growth Energy  World Energy
Gulfstream  World Fuel Services
Hawaiian Airlines