

June 23, 2010

Dear Chairman Levin and Ranking Member Camp:

We, the undersigned trade associations and renewable biofuels developers, write today to express our support for proposals to extend the cellulosic biofuels producer credit (PTC) and expand it to cover algal biofuels, and to allow developers to elect a refundable 30% investment tax credit (ITC) for cellulosic and algal fuels in the same way that Congress provided to developers of renewable electricity facilities. While we note that these changes do not constitute a "silver bullet" to all the impediments facing the industry, inclusion of these provisions in the first appropriate revenue vehicle would be a very significant first step and building block in expanding the tax incentives necessary to the commercialization of next generation biofuels. Further, we appreciate that this formulation may not encompass all the fuel technologies that provide environmental benefits and look forward to continuing to explore ways to further expand federal policies to foster rapid commercialization of clean, renewable biofuels.

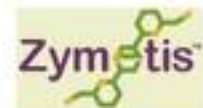
From a tax policy perspective, enactment of a refundable investment tax credit, similar to those given other nascent industries, will help move near-commercial projects forward given the current lack of private capital as a result of the recession. This approach was granted to the wind, biomass and geothermal industries under the American Reinvestment and Recovery Act of 2009, and this spring the Department of Energy and the U.S. Treasury testified that this approach was a great success in the deployment of new jobs and new renewable technology over the last year. We believe it can have similar effect for creating jobs in the Advanced and Cellulosic biofuels sector. Given the tightness in the debt markets for first-of-kind facilities and unease in the equity markets, a refundable ITC is critical to financing construction of these first plants.

For each potential advanced or cellulosic producer it is essential that we extend the current tax benefits they are specially afforded under the law today in order to help facilitate bringing these new renewable fuels to the market place.

We applaud the work of the Committee and the Congress to date and humbly submit that we believe your ITC/PTC approach holds great potential promise for those in the Advanced and Cellulosic biofuels industry. It is our desire to begin to build this new industry, to enhance our nation's energy security and diversity, as well as to reduce the greenhouse gas footprint of our transportation fuels. We are prepared to compete with the fuels currently in place but need your support to send the strong signal to the investment world that the policies of the federal government are solidly and sufficiently in support of beginning to build biorefineries of the future. Thank you for your continued leadership and support.

Sincerely,





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 Advanced Biofuels Association
 Algal Biomass Organization
 Renewable Fuels Association
 American Coalition for Ethanol
 National Alliance of Forest
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 Algenol Biofuels
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