

January 7, 2024

The Honorable John Thune  
Majority Leader  
United States Senate  
511 Hart Senate Office Building  
Washington, DC 20510

The Honorable Mike Johnson  
Speaker  
United States House of Representatives  
H-232, The Capitol  
Washington, DC 20510

Dear Majority Leader Thune and Speaker Johnson,

As representatives of the U.S. aviation sector and sustainable aviation fuel (SAF) value chain, we write to express our support for improving and enhancing tax incentives for SAF as part of a 2025 reconciliation tax package. The United States leads the world in safety, reliability, and innovation, and has pioneered the development and use of SAF. As a fuel source that can be safely used on today's aircraft and is produced from a wide range of methods and resources, SAF supports American energy and technological dominance and provides new economic opportunities for Americans.

The two temporary tax credits under Public Law 117-169 that provided eligibility for SAF (the 40B SAF Tax Credit and the 45Z Clean Fuel Production Credit) were welcomed as the first ever incentives for SAF, but it is critical to improve and enhance the SAF incentives to ensure the United States does not cede ground to other countries in this emerging market. With key fixes, Congress can stimulate private sector financing and investment that will lead to U.S. job growth, increase American energy dominance, and open up new economic opportunities for rural America. In addition, unlike in Europe where SAF mandates will increase prices for U.S. airline passengers and result in punitive penalties if the requirements are not met, SAF incentives will draw-in and encourage investment in the SAF sector to ultimately position the United States as a net exporter.

Specifically, we ask that Congress extend the duration of the Clean Fuel Production Tax Credit to at least 10 years to provide increased market certainty, reduce risk and unlock investment in SAF projects. Without a change, the existing 3-year duration is insufficient to attract and sustain the investment needed to dramatically increase U.S. SAF production and create more American jobs.

In addition to extending the duration, it is important to ensure a level playing field for SAF relative to other fuels through enhancement of the credit. A higher incentive value for SAF is necessary to attract investment relative to other, more mature fuel types. In this regard, we ask Congress to amend the Clean Fuel Production Credit to include a floor value of \$1.25 for SAF, which is consistent with the value in the 40B credit and addresses the substantial drop in value between the two credits. We are also supportive of other changes that would further enhance the effectiveness of this program and benefit a wide range of stakeholders.

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We recognize the careful attention and scrutiny that will be applied to these and other incentives under Public Law 117-169, and we emphasize the important opportunity here to fix their limitations and put in place a well-tailored incentive that will drive domestic energy production, stimulate rural economic development, and reinforce America's energy and technological dominance relative to China, Brazil, and other regions.

We are grateful for your leadership and consideration of our input on this topic.

Sincerely,

The SAF Coalition  
Aerospace Industries Association  
Airlines for America  
Air Line Pilots Association  
Airports Council International – North America  
American Association of Airport Executives  
Amex GBT  
Biotechnology Innovation Organization  
General Aviation Manufacturers Association  
Global Business Travel Association  
Growth Energy  
Regional Airline Association  
Renewable Fuels Association  
National Business Aviation Association  
National Air Transportation Association