August 6, 2021

Chairman Ron Wyden
U.S. Senate
Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C., 20510

Ranking Member Mike Crapo
U.S. Senate
Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C., 20510

Chairman Richard Neal
U.S. House of Representatives
Ways & Means Committee
1102 Longworth HOB
Washington, D.C., 20515

Ranking Member Kevin Brady
U.S. House of Representatives
Ways & Means Committee
1102 Longworth HOB
Washington, D.C., 20515

Dear Chairman Wyden, Ranking Member Crapo, Chairman Neal, and Ranking Member Brady:

As the Senate and House of Representatives consider new legislation to establish a tax credit for sustainable aviation fuel (SAF) this year, we respectfully request this tax credit be based on the most updated and accurate science-based lifecycle carbon assessment (LCA) methods. Without a sound LCA as its basis, a SAF tax credit will be significantly less effective in driving investment in new fuels and reducing aviation emissions.

Numerous members of our respective organizations are poised to produce SAF or sustainable feedstocks for SAF. Many others are looking to work toward participation in the full value chain in the relatively near future. We recognize the importance of decarbonizing the aviation sector with low carbon liquid fuels. Because biomass feedstocks are essential SAF sources, it is imperative that the tax credit properly account for the lifecycle emissions of these sources and the petroleum products these new fuels will replace.

We urge you to make the U.S. Department of Energy (DOE) the lead agency in establishing a regularly updated LCA for any SAF credit. Across our federal government, DOE has the best resources, expertise, and current ability to assess lifecycle emissions fairly and scientifically. At minimum, the DOE should be a full and equal partner in this role with the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Agriculture (USDA).

Unfortunately, current legislation relies heavily on LCA modeling from the International Civil Aviation Organization (ICAO). The ICAO methodology does not use the most comprehensive modeling approaches or most recent data for some important SAF production pathways, with some data more than a decade old. Therefore, carbon intensity estimates under ICAO for some SAF pathways are inaccurate and inappropriately penalized. Although various bills allow the option for DOE to be involved in conducting LCA with EPA, the language continues to require any U.S.-based LCA to be “as stringent as” the ICAO model. The meaning of “stringency” is ambiguous here, but we are concerned this language could be interpreted to require the use of the ICAO methodology in lieu of DOE’s more robust data and modeling approach.

Unlike the DOE, EPA does not maintain a regularly updated LCA model or methodology for biofuels. Notably EPA’s most recent comprehensive analysis for biofuels was conducted in
2009. EPA’s analysis does not reflect or capture the continuous improvement that has been witnessed over the past decade in biomass production or the technology and efficiency improvements in fuel production. As climate-smart agriculture practices continue to improve and expand and as new fuel production technologies for SAF are developed and scaled to market, a regularly-updated LCA is essential to the success of a SAF tax credit and its ability to incentivize new fuels and reduce emissions.

Along the same lines, the LCA for petroleum jet fuels must also be based on the most recent and accurate data to ensure a fair comparison is made between fuels. To ensure clarity, we recommend that Congress designate a baseline carbon intensity value for fossil jet fuel.

In summary, our recommendation for a sound, sustainable, and effective SAF tax credit is to ensure the legislation allows a DOE-led LCA, unencumbered by ICAO, utilizing USDA expertise on agriculture feedstocks. Furthermore, a date-certain, near-term transition to this DOE-led LCA methodology must be an integral part of any SAF tax credit legislation. Finally, we urge that you consider establishing or directing a clear baseline emissions value for petroleum-based aviation fuel, informed by the most recent science and data.

Without these reforms, the federal government’s desire to promote and develop robust domestic SAF production capabilities as quickly as possible will be put at serious risk. Sustainable biomass use, with a proper, scientifically driven LCA, is essential to produce SAF here in America for domestic and international consumption. Our organizations could only support a SAF tax credit with a sound LCA as its basis.

Thank you for your leadership and consideration. We stand ready to assist the Committees in their work on SAF and other fuel and energy concerns.

Respectfully,

American Farm Bureau Federation
Growth Energy
National Biodiesel Board
National Corn Growers Association
National Farmers Union
Renewable Fuels Association