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THE PEW PROJECT ON
NATIONAL SECURITY, ENERGY AND CLIMATE



National Farmers Union

July 10, 2015

The Honorable John McCain
Chairman
Senate Armed Services Committee
228 Russell Office Building
Washington, DC 20510

The Honorable Mac Thornberry
Chairman
House Armed Services Committee
2120 Rayburn Office Building
Washington D.C. 20515

The Honorable Jack Reed
Ranking Member
Senate Armed Services Committee
228 Russell Office Building
Washington D.C. 20510

The Honorable Adam Smith
Ranking Member
House Armed Services Committee
2116 Rayburn Office Building
Washington DC 20515

Dear Chairmen McCain and Thornberry and Ranking Members Reed and Smith:

We are a diverse, multi-stakeholder coalition, writing to request your support for an energy security initiative that aims to establish reliable, clean, domestic alternatives to foreign oil for the U.S. military and for the nation. Specifically, we urge you to allow the Department of Defense (DOD) to continue its work in a public-private effort to develop cost-competitive supplies of advanced biofuels to help reduce the military's reliance on a volatile global oil market.

We represent farmers who grow energy crops, the advanced biofuels industry that uses plant material and technologies to produce fuel, the customers who purchase advanced biofuels, the pilots who safely fly aircraft with them, and organizations that seek to reduce U.S. dependence on a volatile global commodity. We support government policies that can improve energy security, help to reduce military operational cost overruns, and diversify fuel supplies with cleaner drop-in biofuels.

As part of a 2011 Memorandum of Understanding (MOU), the Department of the Navy, Department of Energy, and Department of Agriculture each committed to contributing \$170 million to advance the commercialization timeline of U.S. advanced drop-in aviation and marine biofuels. The ability of the DOD to participate in the MOU is vital in allowing this important initiative to advance.

This is the third funding year of the MOU with Congress having appropriated \$420 million of the \$510 million since 2011. In 2014, the DOD awarded \$210 million to Emerald Biofuels, Fulcrum BioEnergy

and Red Rock Biofuels toward the construction of these facilities on the Gulf Coast, Nevada and Oregon. The program requires equal or greater private matching funds. Once completed, these facilities will have a combined capacity to produce over 100 million gallons of military-spec jet fuel and marine diesel.

Should the Conaway Amendment language in the House version of the National Defense Authorization Act of FY 2016 be included in the final bill, it would put at risk the current investment of \$226 million in taxpayer funds and \$699.6 million in private sector investments in the interagency biofuels project. It would also put a chill on future private investment in the development and scaling up of American-made advanced biofuels.

The goal of the MOU is to support the diversification of energy supplies, protect the DOD budget from oil price shocks, contribute to military readiness and to create clean energy jobs right here at home. We respectfully request your continued support of this important initiative.

Thank you for your consideration.

Sincerely,

Advanced Biofuels Association
Airlines for America
Airline Pilots Association
Algae Biomass Organization
American Farm Bureau Federation
Biotechnology Industry Organization
Growth Energy
National Farmers Union
Pew Project on National Security, Energy and Climate