March 25, 2025

Subject: Support for the Biofuel Development Opportunity Zone Initiative

To whom it may concern:

Since 2006, the Commercial Aviation Alternative Fuels Initiative (CAAFI) has sought to enhance energy security and environmental sustainability for aviation through the development, commercialization, and industry use of sustainable aviation fuel (SAF). CAAFI promotes the development of SAFs that offer equivalent safety and competitive costs when compared with petroleum-based jet fuel, while offering environmental improvement and energy supply security for aviation. Secure and sustainable fuel sources are essential to the continued prosperity of American aviation and offer long term benefits to the American people.

Over the last several years, however, CAAFI recognizes the unique challenges facing development and financing of new sustainable aviation fuel facilities, almost all of which is driven by the high cost of SAF production, in part driven by feedstocks costs and/or capital expenditure on the conversion facilities. However, with the Federal government's SAF Grand Challenge and the provisions of the IRA, there are more incentives in place to help develop the SAF industry.

Therefore, CAAFI fully supports the designation of Biofuel Development Opportunity (BDO) Zones as a means to facilitate the production of SAF. Opportunity Zones are a new community development tool established by Congress in the Tax Cuts and Jobs Act of 2017. This tool is designed to drive long-term capital to low-income communities. The new law provides a federal tax incentive for investors to re-invest their capital gains into Opportunity Funds, which are specialized vehicles dedicated to investing in designated low-income areas. The BDO Zone initiative can support investment in new SAF production plants throughout the United States and play a crucial role in a sustainable American economic recovery that will strengthen energy independence efforts and contribute to long term prosperity and create jobs.

CAAFI fully supports the BDO Zone Program and strongly recommends the designation of as many BDO Zones as practicable in order to attract solid investment in SAF production facilities. Thank you for your support of this initiative!

Sincerely,



Steve Csonka
Executive Director, CAAFI
513-800-7980
steve.csonka@caafi.org
www.caafi.org