GreenBiologics

April 15, 2015

The Honorable Dean Heller
Co-chair
Working Group on International Tax
Development and Infrastructure
324 Hart Senate Office Building
Washington, DC 20510

The Honorable Michael Bennet
Co-chair
Working Group on Community
Development and Infrastructure
458 Russell Senate Office Building
Washington, DC 20510

Dear Senator Heller, Senator Bennett, and the Community Development and Infrastructure Working Group:

I am writing to support Congressional tax code reform efforts aimed at improving U.S. global competitiveness in an emerging renewable chemical industry. Green Biologics, Inc. appreciates the opportunity to provide comments to the Senate Finance Committee Community Development and Infrastructure Working Group regarding the enactment of a production or investment tax incentive to accelerate commercialization of renewable chemicals. Green Biologics, Inc. has combined microbial strain development with our advanced fermentation process and will introduce commercial scale production of renewable n-butanol and acetone in 2016.

As the Working Group considers reforms, U.S. tax policy can play a critical role in helping emerging technologies attract investment for scale-up and achieve commercial scale. A production tax credit or investment tax credit for renewable chemicals will make the U.S. a much more attractive option in the development of our commercial platform. Furthermore, U.S. production of "building-block" molecules such as ours will facilitate the U.S. production of downstream "green" consumer goods from paints to personal care products. Tax policy can help transition a new renewable chemical manufacturing industry from infancy, while improving trade balance and establishing U.S. leadership in bio-based products and manufacturing.

Green Biologics believes tax parity is another important consideration in tax reform. Production tax credits are currently offered to incumbent fossil energy industries. Sectors of the fossil energy industry are also able to benefit from the advantages of a publicly traded MLP. The publicly traded MLP structure reduces a company's tax burden, enables access to capital at lower cost, and increases liquidity. Access to capital is critical to the success of our business, and a level playing field with the incumbent industry will help ensure the capital for our emerging industry is invested in the U.S.

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While the U.S. is making advances in industrial biotechnology development, more can be done. As we develop our commercial platform, resources have been devoted to potential projects in Asia and South America, where we have found strong interest in commercial deployment of biotechnology applications. We support tax reform efforts, particularly as it applies to the renewable chemicals and biobased products industry. In order to secure investment in the rapidly growing renewable chemical sector, we believe it is critical that incentives such as a production tax credit be included.
We look forward to working with you on this important matter.

Sincerely,

Joel Stone
President, Green Biologics Inc.