

April 15, 2015

The Honorable John Thune  
Co-chair  
Working Group on Business Income Tax  
511 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Ben Cardin  
Co-chair  
Working Group Business Income Tax  
509 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Thune, Senator Cardin, and the Business Income Tax Working Group

I am writing in support of Congressional efforts to reform the tax code which will make United States tax system more competitive given our global challenges. NatureWorks appreciates the opportunity to provide comments to the Business Income Tax Reform Working Group in the Senate Finance Committee on the enactment of a production or investment tax incentive to accelerate commercialization of the renewable chemicals and biobased products industry. NatureWorks develops, produces and globally markets PLA, a bio-plastic made from renewable resources. One can find NatureWorks' products in a wide variety of applications, from oil field services to disposable rigid and flexible packaging to 3D printing.

As the Working Group considers reforms, policy makers need to recognize, tax policy is particularly important to emerging technologies that have not yet achieved full maturity in the industrial and environmental biotechnology sector, which is the case for renewable chemicals. A production tax credit or investment tax credit for renewable chemicals for NatureWorks will promote investment and domestic production of innovative renewable chemicals for everyday consumer products, pay strong dividends in the future of U.S. chemical manufacturing, improve trade balance, maintain U.S. leadership in clean energy and manufacturing, create thousands of high quality U.S. jobs and reduce demand on volatile petroleum prices. Federal policies that provide production incentives would help this emerging industry expand and grow throughout the country, and secure America's leadership in the important arena of green chemistry.

NatureWorks is enabling the production of new generation of renewable chemicals from renewable biomass, which can supplement or substitute traditional petroleum-based chemicals and products. The emergence of this technology represents a historic opportunity to reverse job losses in the U.S. chemicals and plastics sectors while simultaneously improving energy security and the environment. As leaders in a critical innovative sector in the U.S., we are well aware of the financial constraints facing this country, including but not limited to, the federal budget. However, the U.S. also faces the challenge of reducing its costly dependence on foreign oil and competing in a \$2.4 trillion worldwide clean energy market with a number of countries already implementing aggressive alternative energy development programs.

Production tax credits are currently offered to incumbent fossil energy industries. As such, the renewable chemicals allowance is critical to NatureWorks' efforts to attract capital given that these types of incentives are offered to other U.S. energy sectors. It will be much

Ingeo™ - naturally advanced materials



more difficult for NatureWorks to develop projects in the United States if other nations offer attractive investment incentives which go well beyond the targeted production tax credits. As we prepare capacity expansion in 2015 and beyond, we would welcome broader comprehensive tax reform discussions to take into consideration the enactment of a production tax credit. Tax parity for renewable chemicals with other uses of biomass in energy production;

- Accelerated commercialization of the renewable chemicals technology and biobased products, and
- Thousands of high quality U.S. jobs, reduced demand for imported petroleum products, and help maintain U.S. leadership in clean energy, sustainable chemistry and biobased manufacturing building the nation's biobased economy.

While the U.S. has made great strides in developing a Bioeconomy, more can be done. The U.S. may already be falling behind other trading nations in commercializing biotechnologies and building biobased manufacturing facilities. Other nations are using government incentives to invest and to ramp up commercial development of biotechnology applications. In many instances, those nations are working with American companies and U.S. technologies. As a general matter, we support efforts underway to update, level-set and innovate the U.S. tax code, particularly as it applies to innovation sectors such as the renewable chemicals and biobased products industry. It is absolutely critical to provide incentives such as a production tax credit which would mitigate driving private capital to other countries.

We look forward to working with you on this important matter.

Sincerely,



Marc Verbruggen  
President & CEO  
NatureWorks LLC

Ingeo™ - naturally advanced materials

