



Biotechnology
Innovation
Organization

May 14, 2019

The Honorable Benjamin Chipman
Chair, Joint Committee on Taxation
State House Room 127
100 State House Station
Augusta, ME 04333

Dear Chairman Chipman and Members of the Joint Committee on Taxation,

The Biotechnology Innovation Organization (BIO) appreciates this opportunity to provide comments on LD 1698, HP 1213, An Act To Create Jobs and Slow Climate Change by Promoting the Production of Natural Resources Bioproducts. We strongly support the enactment of this legislation and believe it will foster economic development in Maine while addressing climate change.

BIO is a non-profit membership organization representing more than 1,000 biotechnology companies, academic institutions, state biotechnology centers, and related organizations in all 50 states. BIO's Industrial and Environmental section members, in particular, are leaders in the development of conventional and advanced biofuels, renewable chemicals, bioproducts, and biomanufacturing-fast growth sectors that are providing much needed job opportunities across the United States and especially in Maine.

Due to Maine's abundant natural resources and existing manufacturing infrastructure, the state has an opportunity to become an economic leader in high value biobased products and renewable chemicals from wood products, creating economic value throughout the industrial biotech sector. The forest products industry has experienced drastic declines as a result of the receding global use in paper and pulp. However, this tax credit would increase demand for woody biomass to use in the development of renewable chemicals. This would spur industry investment and create new jobs in communities across The Pine Tree State, many of which are in rural areas impacted by the withered timber industry.

Industrial Biotechnology is enabling the production of a new generation of renewable chemicals, biobased products and bioplastics produced from biomass. These can serve as a drop-in replacement for, or supplement to, traditional fossil fuel-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, increase energy security, replace fossil fuel-derived chemicals, reduce greenhouse gas emissions, maintain domestic leadership in clean energy and chemistry, and build domestic biobased production facilities. BIO's attached report, *Industrial Biotechnology, A Unique Potential for Pollution Prevention* highlights how different industrial biotechnologies are reducing greenhouse gas emissions, while displacing fossil fuels. Because of the potential of these technologies, Iowa and Minnesota have already enacted legislation to create local biobased economies and incentivize economic activity and jobs generated by the use



and conversion of renewable agricultural and other biomass feedstocks to higher value products and other states are considering similar incentives.

At the state level, new policy initiatives are needed to attract investment by industrial biotech companies and to help get facilities built that can convert renewable biomass to value added biobased plastics, renewable chemicals and other consumer products. LD 1698, HP 1213's enactment is key to helping this sector spur significant investment in local economic zones in both agriculture and manufacturing.

The innovative boom of the industrial biotechnology sector is happening now and has the potential to be even more impactful in Maine in the future. We trust that you agree that the revolution in biotechnology innovation is an opportunity for your state's economic development and that you enact LD 1698 HP 1213.

We look forward to working with you as you advance this legislation to grow the biobased economy in Maine.

Best regards,

A handwritten signature in black ink that reads "Stephanie Batchelor".

Stephanie Batchelor

Managing Director
Industrial and Environmental Section
Biotechnology Innovation Organization (BIO)