MINNESOTA FOREST INDUSTRIES
903 Medical Arts Building ● 324 West Superior Street ● Duluth, MN 55802 ● 218-722-5013 ● Fax 218-722-2065 ● www.minnesotaforests.com

February 27, 2025

Rick Horton Testimony
Senate Taxes Committee
Chair: Senator Ann Rest
RE: S.F. No. 1312 - Sustainable Aviation Fuel Tax Credit

Chair Rest and Members,

My name is Rick Horton. I am the Executive Vice President of Minnesota Forest Industries, a trade organization representing the primary wood-consuming mills in the state. Together we transform trees into products we use every day.

Chair and members – We can fly airplanes with wood! Creating the infrastructure to do so on a large scale will be beneficial for the forests, helpful for loggers and the forest products industry, and help reduce carbon emissions in the transportation sector.

Wood is renewable and sustainable. There is an abundance of residual material available from mills, from tops and limbs after timber harvest, and from dead material after natural disturbances. Removing some of it from the forest improves forest health, increases climate resilience, improves visual quality and increases forest regeneration rates.

Site-level forest management guidelines are in place to ensure that enough material is left on site to provide for wildlife habitat, prevent erosion and provide for soil health. And most public and industrial forestland is enrolled in certification programs that ensure that those guidelines are followed by our highly trained logging workforce.

Trees are carbon vacuums. Using sunlight and nutrients they convert atmospheric carbon into wood that is stored in the tree until it dies or burns. Collectively the forest absorbs far more carbon than is emitted, making the forest sector the only one that is a carbon sink. In fact, in Minnesota they absorb 15% of the carbon emitted by all sectors!

The demand for SAF is high now and growing exponentially as airlines like Delta work to reduce their carbon footprint. Meeting that demand will require all available feedstocks and technologies. Wood fiber offers one of the best options to quickly reduce Carbon Intensity – a measure of overall carbon emissions. Because of the carbon absorbing and storing power of our forests, the carbon intensity of wood based SAF is significantly lower than conventional jet fuel, with studies indicating a potential CI reduction of up to 80%.

There are concerns and barriers to developing wood-to-SAF systems, but they are not insurmountable. From our perspective, we need to ensure that the feed stocks are waste

material. MFI's member companies, combined with loggers, truckers and secondary wood consuming mills are the fifth largest industry in the state. We provide 71,650 direct, indirect, and induced jobs, largely in rural Minnesota, with $25.3 billion dollars in gross sales and $ $10.8 billion dollars in economic benefit within the state of Minnesota. We must ensure that we can serve a new demand for wood without jeopardizing existing industries by competing for raw materials.

Attracting developers and refining the technology make SAF with wood exists but needs to be scaled up to show the true potential. The Sustainable Aviation Fuel tax credit helps address the cost barriers to development.

Reducing carbon in the transportation sector is an important goal for addressing climate change. The commitment of carriers like Delta Airlines to that goal is driving urgency and spurring innovation. It will take all hands on deck to get there, and MFI believes there is a strong place for wood in the equation.

Thank you.

Rick Horton
Executive Vice President
Minnesota Forest Industries