

Congress of the United States
House of Representatives
Washington, DC 20515-0301

August 27, 2014

Mr. Paul Woods
Chairman, CEO, and President
Algenol Biofuels
16121 Lee Road, #110
Fort Myers, FL 33912

Dear Mr. Woods:

On behalf of the great state of Arizona, we, the Congressional delegation of The Copper State, invite the growing business of Algenol Biofuels, to strongly consider locating a new commercial facility in Arizona.

We are intrigued that Algenol Biofuels is able to offer a cost-competitive biofuel which competes with any other commercially available fuel, and believe locating a facility in Arizona could open a bountiful production area for this fuel source. Arizona's unique topography includes abundant amounts of carbon dioxide, sunlight, algae and saltwater, all of which are important to producing viable and sustainable biofuels as you know. There is also a natural market for Algenol products in Arizona, and proximity to the huge California fuels market.

By choosing Arizona as a site for your future business development, you will have unrestricted access to Arizona's business-friendly tax system, highly skilled workforce, unique access to major markets, as well as an extraordinary quality of life. Business values of entrepreneurship and free-market enterprise principles are embraced in Arizona, and we encourage the research and development of new, visionary technologies, of which Algenol is a perfect fit.


By locating in Arizona, Algenol will have unrestricted access to the business-friendly regulatory structure which encourages the growth and development of our businesses. Arizona recently succeeded in passing the Arizona Competitiveness Package, an ambitious initiative aimed at overhauling the existing regulations, taxes, and codes, in order to encourage business success. Rewarding knowledge, expertise, and innovation, this Package was designed specifically to attract and assist high-technology and innovative businesses and firms, like Algenol, in surpassing business goals and agendas. Specifically, this legislative package overhauled Arizona's tax system, streamlined the regulatory structure, and sharpened the focus on business recruitment, expansion, and creation in Arizona. Not limited to the regulatory framework, Arizona also maintains an exceeding, pro-business culture.

Nationally-recognized for its outstanding business culture, Forbes Magazine and Moody's Analytics recently ranked Arizona first in the nation for projected job growth over the next five years. The Copper State also ranks second-lowest in the country for unemployment insurance tax, and the highly-skilled workforce ranks second for both workforce quality and availability. Furthermore, Arizona also has the sixth lowest property taxes in the United States, and is ranked seventh for having one of the lowest average unemployment costs for workers compensation claims nationwide. With these statistics, Arizona cultivates a pro-business ethic which is second to none.

When it comes to the cost of doing business, Arizona maintains a simplified corporate tax system which is geared towards supporting the success of businesses statewide. There are no discouraging state business inventory taxes, estate taxes, or franchise taxes, and at 4.9 percent, corporate income tax ranks among the lowest in the country. Additionally, Arizona has lowered taxes in each of the past 13 years, with some business property taxes reduced as much as 10 percent. For business tax credits, the Arizona Innovation Challenge encourages entrepreneurs through a Technology Commercialization Challenge. The Research and Development Tax Credit, Qualified Facility Tax Credit, and the Quality Jobs Tax Credit, are among the many other incentive programs utilized by businesses who have chosen to locate to Arizona's lucrative business scene.

From Arizona's Congressional delegation, extending to state and local political and business leaders, there is a staunchly promoted culture in Arizona that values entrepreneurship and success. We value the efforts needed to develop and implement the structures needed to expand business potential and work diligently to this end. Arizona is united in fostering an environment that encourages economic growth and job creation, and for these reasons we strongly urge Algenol to consider expanding its business by locating a new commercial facility in the great state of Arizona.

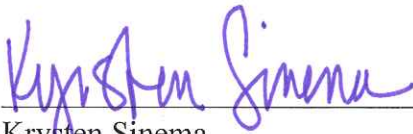
Sincerely,



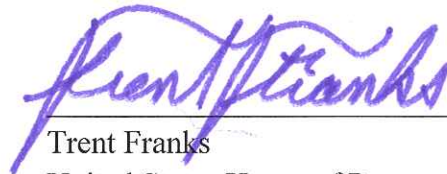
Paul Gosar
United States House of Representatives



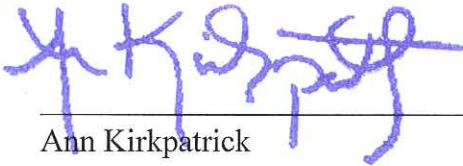
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