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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	[Personally Identifiable Information] [partial] (5 pages)	08/11/1999	b(6)

COLLECTION:

Clinton Presidential Records
Office of Environmental Initiatives
Angie Mizeur
OA/Box Number: 19507

FOLDER TITLE:

Climate Events/Initiatives Bioenergy

2017-1093-F

rs3156

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE
WASHINGTON

August 11, 1999

BIO-ENERGY EVENT

DATE: Thursday, August 12, 1999
LOCATION: Atrium, Department of Agriculture
TIME: 1:45 PM – 2:50 PM
FROM: Roger Ballentine 
George Frampton
Neal Lane

I. PURPOSE

To open a roundtable event on the potential of bio-technologies to help in the fight against climate change by producing clean energy and products, while building strong agricultural and technology sectors. You will announce the signing of an Executive Order establishing a high-level government council to focus and expand federal leadership in this promising area.

II. BACKGROUND

A central theme of our domestic climate change agenda is to promote technologies and practices that will reduce emissions of greenhouse gases while promoting economic opportunity. By promoting the development of a clean and renewable source of energy and products such as biomass, we will be highlighting a prime example of environmentally and economically sound measures we can take to reduce such emissions while growing the economy.

Through a joint effort of OSTP, CEQ, NEC, and the Climate Change Task Force, we have prepared an Executive Order that creates a permanent, Cabinet-level Council to 1) develop and implement a detailed program of research, 2) review agency regulatory and other programs, and 3) outreach with various private-sector experts, all in an effort to provide federal leadership in the development of these promising technologies. Furthermore, you will announce of goal of *tripling* the production and use of bio-energy and bio-products in the U.S. by 2010.

The event that follows your remarks will be a roundtable discussion, led by Secretaries Glickman, Richardson and Administrator Browner, and joined by Senator Lugar and key representatives of academia, industry, the farm sector and the environmental community. The roundtable will explore existing and future technologies and applications that will help produce a cleaner environment and a stronger economy, with an emphasis on what further steps the government can take to help this development.

III. PARTICIPANTS

Pre-Brief

The President
Roger Ballentine
Mary Beth Cahill
Elliot Diringer (CEQ)
George Frampton
Thurgood Marshall, Jr.
Loretta Ucelli

Event

The President
Secretary Glickman
Dr. Bruce Dale, Michigan State University
Ms. Amal Mansour, CEO, Manufacturing and Technology & Conversion Inc.

IV. PRESS PLAN

Open press

V. SEQUENCE OF EVENTS

After signing the Executive Order at the White House (no event), you will proceed to USDA. Secretary Glickman, Secretary Richardson, Administrator Browner and Senator Lugar will greet you. You will review an exhibit of bioenergy technology outside the entrance to the Department, and then proceed to a hold. In the holding room, you and the Cabinet Members will meet and greet with members of the roundtable. After the roundtable participants have taken their places on stage, the Cabinet Members and Senator Lugar will be announced off stage. You will then be announced off stage, along with Dr. Dale and Ms. Mansour. Dr. Dale will make remarks and introduce Ms. Mansour, who will make remarks and introduce you. After your remarks, you will depart.

VI. REMARKS

To be provided by CEQ.

VII. ATTACHMENTS

List of roundtable participants.

ATTACHMENT

Roundtable Participants

Secretary Glickman
Secretary Richardson
Administrator Browner
Senator Lugar

Dr. Bruce E. Dale

Chair, Department of Chemical Engineering, Michigan State University
(Chair, National Research Council study on biobased products. Has been researching biomass technologies for most of career)

Mr. Stephen Gatto

CEO, BC International
(Develops technologies to produce ethanol and other chemicals from biomass.
Completing the financing to construct the world's first commercial biomass-ethanol manufacturing facility in Jennings, Louisiana)

Mr. Lanny Jass

CEO, Phoenix Biocomposites, Inc.
(Makes and sells a heavy construction material used in kitchen cabinetry and other furniture made from soybeans and recycled newspaper.)

Ms. Amal Mansour

CEO, Manufacturing Technology & Conservation Inc.
(Manufactures advanced biomass gasifier – the machine that converts biomass into fuel; working with DOE on utility-scale system based on wood residues)

Dr. Joseph Miller

Chief Technology Officer, Dupont Corp.
(Chemical producer working with biotechnology and biomass to, among other things, produce feedstocks -- such as plastics – from biomass).

Mr. Tom Mitchell

President and CEO, Genencor International Inc.
(World's largest company dedicated exclusively to industrial biotechnology)

Mr. Roger Pine

President, National Corn Growers Association
(farmer)

Mr. Edan Prabhu

President, Reflective Energies

(Designs biomass “gasifiers” and “microturbine” power plants that bring clean-burning, low cost, portable power plants to biomass sites)

Ms. Carol Werner

Executive Director, Environmental and Energy Study Institute

(A non-profit organization dedicated to promoting sustainable societies)

Mr. Michael Yost

President, American Soybean Association

(Former President, Biodiesel Board; Farmer)

White House Executive Order Announcement and Event
8/12/99

Day 1

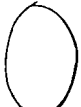
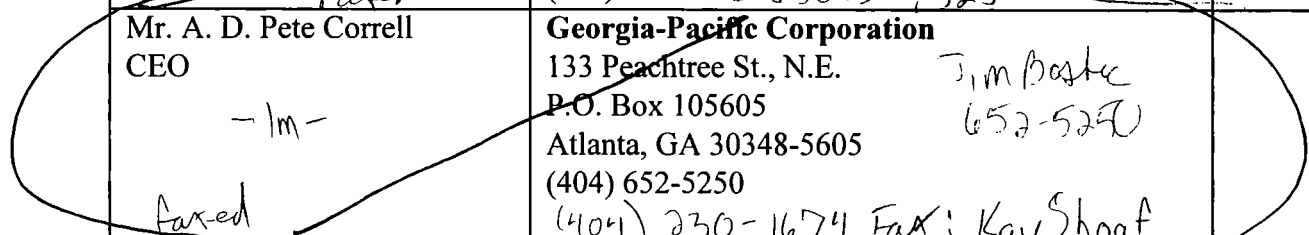
Roundtable Participants:

Secretary Richardson

Secretary Glickman

Administrator Browner

Senator Richard Lugar

 Mr. Chad Holliday CEO <i>faxed</i>	Dupont Corp. 1007 Market Street Office D9000 Wilmington, DE 19898 (302) 774 1000 <i>773-3857</i> <i>Fax: (302) 774-1000</i>	
 Mr. Warren R. Staley <i>NO</i> President & CEO <i>- 1m -</i>	Cargill Inc. PO Box 5724 Minneapolis, MN 55440 (612) 742 7575 <i>742-6027 - Fax</i>	
 ~~Mr. Richard Olson~~ ~~CEO and Chairman~~ ~~<i>- 1m -</i>~~ <i>faxed</i>	~~Champion International Corporation~~ ~~One Champion Plaza~~ ~~Stamford, CT 06921~~ ~~(203) 358-7325~~ ~~<i>6500 7325</i>~~	
 Mr. A. D. Pete Correll CEO <i>- 1m -</i> <i>faxed</i>	Georgia-Pacific Corporation 133 Peachtree St., N.E. P.O. Box 105605 Atlanta, GA 30348-5605 (404) 652-5250 <i>Tim Baste</i> <i>652-5250</i> <i>(404) 230-1674 Fax: Kay Shoof</i>	
Mr. Arnold R. Klamm CEO	Arkenol 27401 Los Altos, Suite 400 Mission Viejo, CA 92691 (949) 588-3767	

Mr. Edan Prabhu President	Reflective Energies 22922 Tiagua Mission Viejo, CA 92692 (949) 380-4899	Designs biomass “gasifiers” and “microturbine” power plants that bring clean-burning, low cost, portable power plants to biomass sites.
Ms. Amal Mansour CEO	Manufacturing Technology & Conversion Inc. Baltimore, MD 21226 410-354 9890	Manufactures advanced biomass gasifier – working with DOE on utility scale system w/ wood residues
Mr. Michael Yost President	American Soybean Assoc. 825 100 th Ave SE Murdock, MN 56271 (320) 875 2654	Former President, Biodiesel Board Real farmer
Mr. Bill Carlson Vice President	Wheelabrator Environmental Systems PO Box 7000 Anderson, CA 96007 (530) 365-9172	Forest biomass, ag residues
Mr. Dan Thompson President & CEO	Minnesota Corn Processors 901 Highway 59 Marshall, MN 56258 (507) 537-2676	
Mr. Rodney Weinzierl Executive Director	Illinois Corn Growers Assoc. (309) 827 0912	Real Farmer
Mr. Stephen Gatto CEO <i>faxed</i> <i>yes</i>	BC International 990 Washington Street, Suite 104 Dedham, MA 02026 (781) 461-5700 (781) 461-2626	
Gary L. Neale President & CEO	NiSource Inc. 801 E. 86 th Ave. Merrilville, IN 46410 (219) 647-6004	
Mr. William Davis President & CEO	Niagra Mohawk 300 Erie Blvd W Syracuse, NY 13202 (315) 428-3511	

Mr. A. William Dahlberg President & CEO	Southern Company 270 Peachtree Street NW Atlanta, GA 30303 (404) 506 5000	
Mr. John Rowe CEO & President	Commonwealth Edison PO Box 767 Chicago, IL 60690 (312) 394-3227	
Mr. Tom Mitchell President & CEO	Genencor International, Inc. 4 Cambridge Place 1870 South Winton Place Rochester, NY 14618-3916 (716) 256-5200	
Lanny Jass CEO	Phoenix Biocomposites Inc. PO Box 609 Mankato, MN 56002 (507) 344-5508	AARC success story. They make and sell a construction material (heavy construction and used in kitchen cabinetry and other furniture) made from soybeans and recycle newspaper.
Dr. Bruce E. Dale Chair	Dept of Chemical Engineering Michigan State University A 202 Engineering Bldg East Lansing, MI 48824 (517) 353 6777	Chair, National Research Council study
Jim Woolsey Managing Partner	Shea & Gardner 1800 Massachusetts Ave NW Washington, DC 20036 (202) 828 2056	
Ms. Carol Werner Executive Director	Environmental and Energy Study Institute 122 C Street, N.W., Suite 700 Washington, DC 20001 (202) 628 1400	



OFFICIAL WHITE HOUSE PHOTO 12AUG99 US PG75157-007

comments to John-D.-Gibson@whcattf.eop.gov

ph. 395-2321

**GROWING CLEAN ENERGY FOR THE 21ST CENTURY:
FOR OUR ECONOMY, OUR CLIMATE AND A MORE SECURE AMERICA
AUGUST 12, 1999**

BEGIN TEXT BOX President Clinton today issued an Executive Order that will coordinate Federal efforts to accelerate the development of 21st century bio-based industries that use trees, crops, and agricultural waste to make fuels, chemicals, and electricity. Speaking at a roundtable attended by CEOs, scientists, farmers, and environmental leaders, the President emphasized that these efforts will create high-tech economic opportunities for rural America, help meet environmental challenges like global warming, and enhance U.S. energy security. The President called on Congress to approve his pending budget request for bioenergy funding and announced a goal of tripling U.S. use of bioenergy and bioproducts by 2010. This would create \$15 to \$20 billion in new income for farmers and rural America and reduce annual greenhouse gas emissions by over 100 million tons – the equivalent of taking 83 million cars off the road. **END TEXT BOX**

New Economic Opportunities for the New Economy. Advances in farm, forestry, and other biological sciences are fueling a revolution in the use of biomass (trees, crops, and agricultural and forestry wastes) to produce high-efficiency, low polluting products, such as:

- **transportation fuels**, like ethanol, using cellulosic biomass (agricultural “waste”);
 - **electricity**, by co-firing biomass from willows and switchgrass in existing coal plants and through biomass gasification using paper industry by-products; and,
 - **commercial products**, such as chemicals, glues, paints – even furniture and textiles.
- Meeting the President’s goal of tripling U.S. use of bioenergy and bioproducts will **create high-tech jobs and \$15-20 billion in new income for farmers and rural communities.**

Cleaner Energy, Cleaner Environment. Bioenergy and bioproducts can **drastically reduce greenhouse gas emissions that contribute to global warming.** Since biomass crops absorb carbon during growth, their use for energy and other applications results in near zero net carbon release.

- Tripling our use of bioenergy and bioproducts by 2010 will result in reduced greenhouse gas emissions of over 100 million tons – the equivalent of taking 83 million cars off the road.
- The deep-rooted plants commonly used for biomass are helpful in controlling erosion, filtering chemicals from water runoff, and slowing floodwaters.

Energy Security. Meeting the President’s goal of tripling our use of bioproducts and bioenergy will allow us to cut back on the almost 4 billion barrels of oil we are projected to import in 2010.

Federal Leadership. Today’s Executive Order acts on the advice of a number of scientific and industry groups to create a powerful new research management team focused on an ambitious set of goals.

- The Order establishes a permanent council consisting of the Secretaries of Energy and Agriculture, the EPA Administrator, the Director of the National Science Foundation, and other agency heads to develop a detailed biomass research program to be presented annually as part of the Federal budget.
- The plan will be reviewed by an outside advisory group with representatives from bio-based industries, farm and forestry sectors, universities, and environmental groups.
- The Order instructs the council to review major agency regulations, incentives and programs to ensure that are being used effectively to promote the use of bioproducts and bioenergy.
- In a separate Executive Memorandum, the President instructed the Secretaries of Energy and Agriculture to prepare a report within the next 120 days on options for modifying existing DOE and USDA programs with a goal of tripling U.S. use of bio-based products and bioenergy by 2010.

THE PRESIDENT'S NEW EXECUTIVE ORDER ON BIOBASED PRODUCTS AND BIOENERGY AUGUST 12, 1999

The Executive Order issued by President Clinton today will coordinate Federal efforts to accelerate the development of 21st century bio-based industries that use trees, crops, and agricultural and forestry waste to make fuels, chemicals, and electricity. Owing to recent scientific advances, bioenergy and bioproducts have enormous potential to create new economic opportunities for rural America, help meet environmental challenges like global warming, and enhance U.S. energy security. In a separate Executive Memorandum, the President announced a goal of tripling U.S. use of bio-based products and bioenergy by 2010. Meeting this goal will create \$15 to \$20 billion in new income for farmers and rural America and reduce annual greenhouse gas emissions by an amount equal to approximately 100 million metric tons of carbon (MMTCE) – the equivalent of taking 83 million cars off the road.

What is "biomass"?

Biomass is trees, crops, and agricultural and forestry waste ~~that is used~~ to make fuels, chemicals, and electricity. Biomass is an important clean, domestic, and renewable source of energy. It can be used to fuel cars, power factories, and create a host of chemicals and other everyday products.

Why is the President issuing this Executive Order?

Recent scientific advances in farm, forestry, and other biological sciences are making bioenergy and bioproducts more technically feasible and more economically viable. There is wide agreement among many different recent reports and studies that Federal support for research will be essential to realizing the economic and environmental potential of bio-based industries. Today's Executive Order acts on this advice to create a powerful new research management team to focus Federal efforts with a goal of tripling U.S. use of bioenergy and bioproducts by 2010. Energy from biomass sources currently accounts for about 3 percent of the total U.S. energy supply. Most of this comes from wood, agricultural crops and wastes, landfill gas, and municipal solid waste.

How practical is all this? What's being done right now in bioenergy and bioproducts?

Clean bioenergy and bioproducts are very much here and now. The Department of Energy (DOE) and Agriculture (USDA) are already participating in partnerships on a number of major, breakthrough bioenergy and bioproducts projects, including:

- **Biomass to Ethanol Demonstration Projects.** Last fall BC International broke ground in Jennings, Louisiana on the first commercial plant to produce ethanol from the cellulose in agricultural waste – in this case sugar cane bagasse – waste that might otherwise be burned, releasing carbon dioxide back into the air. A number of other demonstration projects are under development to convert municipal solid waste to ethanol.

- **Biorefinery for Chemicals.** Cargill Corporation, the largest privately held company in the United States, has built a prototype biorefinery in Blair, Nebraska. This new facility will use corn to produce a stream of chemical products and also a biodegradable polymer, polylactic acid, used in making films, fibers, rigid materials and coatings.
- **Co-Firing Technologies.** A number of projects are exploring ways to use biomass such as switchgrass and short-rotation wood crops like willows to make electricity by cofiring them with coal. Two of the most prominent projects – the Iowa Chariton Valley project and the New York Salix projects – will also investigate the technical and business aspects of **biomass gasification**, where biomass is made into a fuel gas that can be used for heat or power production.

What is the economic potential for using biomass for energy and products?

Creating a robust bioenergy and bioproducts industry in the United States will unleash potentially tremendous economic benefits for biomass producers – including farmers and the forest products industry – energy producers, chemical manufacturers, and the U.S. economy as a whole.

For rural America, a fast-growing, robust bioenergy market will greatly increase the demand for dedicated energy crops and for agricultural and forest residues, or wastes, of all types. Since the cost of transporting the raw materials is high, most of the value-added work will need to occur in rural communities, providing new revenue streams for farmers and cash-flow for rural economic development. This means that good, high-technology jobs associated with producing biofuels and chemicals can be added in rural communities helping ensure that they will be an integral part of a prosperous 21st century American economy. It is estimated that meeting the President's goal of tripling U.S. use of bioenergy and bioproducts will create high-tech jobs and \$15-20 billion in new income for farmers and rural communities.

Finally, investments in bioenergy technologies, infrastructures, and markets could increase profitability for U.S. firms competing in global markets, while simultaneously providing for the world's future energy needs in an environmentally sustainable way.

How can bioenergy and bioproducts help us meet environmental challenges like global warming?

Using biomass to substitute for fossil fuels can drastically reduce greenhouse gas emissions that contribute to global warming. Since biomass crops absorb carbon during growth, their use for energy and other applications results in near zero net carbon release.

Meeting the President's goal of tripling our use of bioenergy and bioproducts by 2010 will result in reduced greenhouse gas emissions equal to approximately 100 million metric tons of carbon (MMCTE) – the equivalent of taking 83 million cars off the road. Substituting for fossil fuels, bioenergy will also reduce emissions of nitrogen oxides (NOX), sulfur oxides (SOX), and other pollutants.

Additionally, the deep-rooted plants commonly used for biomass – such as poplar, willow, and switch grass – are helpful in controlling erosion, filtering chemicals from water runoff, and slowing floodwaters.

What are the major hurdles to growing robust, vibrant bioenergy and bioproducts industries?

The lack of integration among technologies, their applications, markets, and policies has been a major barrier to growth of bio-based industries. A more focused, visible, and integrated national effort can make the U.S. the world leader in the production of bio-based energy and other products. Specific technical and economic challenges that lay ahead include:

- Improving crop yields;
- Introducing new crop varieties tailored for biorefining;
- Rethinking land use policies to blend resource production with soil and environmental conservation;
- Developing biomass harvesting, distribution, and processing technologies;
- Developing new product opportunities;
- Building investor confidence in bio-based industries.

By helping to integrating biomass research, development, and demonstration programs, the President's Executive Order will shorten the time it takes to move new processes and products from the laboratory to the marketplace.

A long term technical and economic objective is to make a “ton of biomass” a viable market competitor of a barrel of imported oil. That ton of biomass could be processed in a biorefinery than can quickly and easily vary its feedstocks and its product mix according to market signals, much as petroleum refineries do with oil today.

How can bioenergy help U.S. energy security?

Expanded use of bioenergy and biofuels, such as ethanol, will diversity the U.S. energy portfolio. In 2010, the United States is projected to import as much as 4 billion barrels of oil – which will come increasingly from a small number of exporting nations.

What specifically will the President's Executive Order do?

Today's Executive Order acts on the advice of a number of scientific and industry groups to create a powerful new research management team focused on an ambitious set of goals.

- The Order establishes a permanent council consisting of the Secretaries of Energy and Agriculture, the EPA Administrator, and the Director of the National Science Foundation, and other agency heads to develop a detailed research program to be presented annually as part of the annual Federal budget.
- The council's plan will be reviewed by an outside advisory group with stakeholder representatives from bio-based industries, farm and forestry sectors, universities, and environmental groups.
- The Order instructs the council to review major agency regulations, incentives and programs to ensure that are being used effectively to promote the used of bioproducts and bioenergy.
- The Order directs DOE and USDA to establish a National Biobased Products and Bioenergy Coordination Office to manage the preparation of interagency budgets and provide an easy point of entry for anyone interested in Federal work in biobased products and bioenergy.
- In a separate Executive Memorandum, the President instructed the Secretaries of Energy and Agriculture to prepare a report within the next 120 days outlining and assessing options for modifying existing DOE and USDA programs with a goal of tripling U.S. use of bio-based products and bioenergy by 2010.

What's in the President's FY 2000 budget on biomass?

The President's FY 2000 budget request contains \$ _____ for investments in the research, development and deployment of biomass technologies, including :

- **Advanced Biomass Power and Fuels.** Funding for DOE and USDA to continue developing, testing, and demonstrating high-yield, low-cost biomass feedstocks; cofiring biomass with coal to produce electricity; advanced technologies for biomass gasification using paper industry by-products; and continued work on producing alternative fuels, such as ethanol, from biomass.
- **National Biomass Partnership.** Funding for DOE, USDA and other Federal agencies and private partners to launch a national partnership to develop advanced integrated biomass technologies.

The President has also proposed a package of **biomass tax credits**. The President proposes to extend for 5 years the current 1.5 cent per kilowatt hour tax credit for electricity produced from biomass. The proposal also expands the types of biomass eligible for the credit to include certain forest-related, agricultural and other resources. Finally, the package includes a 1.0 cent per kilowatt hour tax credit for electricity produced by cofiring biomass in coal plants.

To date, Congress has taken no action on the President's biomass tax proposal and has appropriated only \$ _____ in funding for biomass technologies.

White House Executive Order Announcement and Event
8/12/99

Draft

Roundtable Participants:

Secretary Richardson

Secretary Glickman

Administrator Browner

Senator Richard Lugar

RSB to call	Mr. Chad Holliday CEO	Dupont Corp. 1007 Market Street Office D9000 Wilmington, DE 19898 (302) 774 1000	Chemical producer working with biotechnology and biomass to develop solutions that make a difference in people's lives.
RSB to call	Mr. Warren R. Staley President & CEO	Cargill Inc. PO Box 5724 Minneapolis, MN 55440 (612) 742 7575	International marketer, processor and distributor of agricultural, food, financial and industrial products.
RSB to call	Mr. Richard Olson CEO and Chairman	Champion International Corporation One Champion Plaza Stamford, CT 06921 (203) 358-7352	Responsibility for the sustainable management of approximately 11 million acres of forest lands supporting its manufacturing facilities.
Will attend	Ms. Amal Mansour CEO	Manufacturing Technology & Conversion Inc. Baltimore, MD, 410-354 9890	Manufactures advanced biomass gasifier - working with DOE on utility scale system w/ wood residues
Await response	Mr. Edan Prabhu President	Reflective Energies 22922 Tiagua Mission Viejo, CA 92692 (949) 380-4899	Designs biomass "gasifiers" and "microturbine" power Plants that bring Clean-burning, low Cost, portable power Plants to biomass sites.

✓ Will attend	Mr. Michael Yost President	American Soybean Assoc. 825 100 th Ave SE Murdock, MN 56271 (320) 875 2654	Former President, Biodiesel Board Real farmer
✓ Will attend	Mr. Terry Wolf	Illinois Corn Growers Assoc. (309) 827 0912	Real Farmer
✓ Will attend	Mr. Stephen Gatto CEO	BC International 990 Washington Street, Suite 104 Dedham, MA 02026 (781) 461-5700	Develops technologies to produce ethanol and other chemicals from biomass. Completing the financing to construct the world's first commercial bioethanol manufacturing facility, a 20-million+ gallon plant in Jennings, Louisiana,
✓ Will attend	Patrick Mulchay President & CEO	NIPSCO 801 E. 86 th Ave. Merrillville, IN 46410 (219) 647-6004	Northern Indiana Public Service Company (NIPSCO), a subsidiary of NiSource, is a regulated utility. NIPSCO is the largest natural gas distribution company, and the second largest electric distribution company, in the state of Indiana.
Jeff to call?	Mr. William Davis (1) President & CEO	Niagra Mohawk 300 Erie Blvd W Syracuse, NY 13202 (315) 428-3511	Leader in researching the use of short rotation woody crops as a feedstock and currently has a 135 acre willow plantation under cultivation.
✓ Will attend	Mr. Tom Mitchell President & CEO	Genencor International, Inc. 4 Cambridge Place 1870 South Winton Place Rochester, NY 14618-3916 (716) 256-5200	World's largest company dedicated exclusively to industrial biotechnology.
7 Await RSVP	Lanny Jass CEO	Phoenix Biocomposites Inc. PO Box 609 Mankato, MN 56002 (507) 344-5508	AARC success story. They make and sell a construction material (heavy construction and used in kitchen cabinetry and other furniture) made from soybeans and recycle newspaper.

✓ Will attend	Dr. Bruce E. Dale Chair	Dept of Chemical Engineering Michigan State University A 202 Engineering Bldg East Lansing, MI 48824 (517) 353 6777	Chair, National Research Council study on biobased products. Researching biomass technologies, particularly pretreatment for most of career.
✓ Will attend	Ms. Carol Werner Executive Director	Environmental and Energy Study Institute 122 C Street, N.W., Suite 700 Washington, DC 20001 (202) 628 1400	A non-profit organization dedicated to promoting environmentally sustainable societies.

Alternates

Not Avail.	Mr. A. William Dahlberg President & CEO	Southern Company 270 Peachtree Street NW Atlanta, GA 30303 (404) 506 5000	Of their total generating capacity, co steam represents 70 percent, nuclear hydro 9 percent, and combustion turb
~~Waiting~~ NO	Mr. A. D. Pete Correll CEO (Alt to Champion)	Georgia-Pacific Corporation 133 Peachtree St., N.E. P.O. Box 105605 Atlanta, GA 30348-5605 (404) 652-5250	maintaining and sustaining more tha acres of company-owned forest lands States and Canada
	Mr. Arnold R. Klann CEO (Alt. for Gatto)	Arkenol 27401 Los Altos, Suite 400 Mission Viejo, CA 92691 (949) 588-3767	focus is the construction and operatio biorefineries on a worldwide basis to variety of biobased chemicals and tra fuels.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 12, 1999

REMARKS BY THE PRESIDENT
AT BIO-ENERGY CLIMATE CHANGE EVENT

Department of Agriculture
Washington, D.C.

2:26 P.M. EDT

THE PRESIDENT: Thank you. Well, if Amal Mansour gets tired of alternative energy, she might consider politics for a career. (Laughter.) She gave quite a speech, and I thank her.

Let me just say, before I begin I would like to say just a few words about the latest developments in the shootings in Los Angeles. It now appears that they were motivated by racial and ethnic hatred. If so, that's the second such incident we've had in the last couple of weeks, along with the killings that occurred in the Midwest, which you all remember very well -- and another compelling argument, in my judgment, for this country to renew its commitment to our common community, our common humanity; and another compelling argument for the passage of the hate crimes legislation and the common-sense gun legislation we have recommended. (Applause.)

I know the Attorney General spoke about this earlier today, but I wanted to strongly support and associate myself with her comments on this.

Now, let me tell you, I may be the happiest person here today because I have been a supporter of bio-energy for more than 20 years now. When I was governor I tried to promote the use of wood waste; we opened a little ethanol factory in my home state. We worked on whether rice hulls could be used as energy. I've sort of been tapping my foot, waiting for 20 years for the moment to come when both the technology and the economics and the social awareness, all this stuff would kind of fit together.

I want to thank Secretary Glickman, Secretary Richardson, Administrator Browner for their support of this. I want to say a special word of appreciation to Senator Dick Lugar, the Chairman of the Senate Agriculture Committee. He wrote a brilliant article with Jim Woolsey in the January-February edition of Foreign Affairs, called "The New Petroleum." And I see some of you nodding your heads, and if you had read it, you had all read it, you would

all be nodding your heads. It's not only brilliant, but a guy who is scientifically challenged like me can understand it, which is very important.

I want to thank Senator Tom Harkin, who is not here today, couldn't be here today, but who has worked passionately on this issue. We have been talking about it for more than a decade now. And I want to thank Dr. Dale for your work and Amal Mansour for your work and your success, and all of the panelists who are here.

This is one of those speeches that Presidents have to give, you know, where you're preaching to the choir, because you all agree with this. And you see this fine family over here, they were introduced earlier in a way that is bittersweet. The present, terrible crisis we have on our farms heightens all of our awareness that we can do this. And as many have said, as Senator Lugar and Mr. Woolsey argued in their piece, even in good agricultural times, when farm prices are high and the land is in use, there is more than enough land available at sound conservation practices for us to develop this if we can develop the biocatalyst and the advance processing technologies necessary to make bio-energy work.

So I am very, very pleased about this. I think we have to see this in a context of where we've come from and where we're going. One of the most important technological advances of this century came 90 years ago in a old farmhouse overlooking Lake Michigan, where William Merriam Burton, who was a chemist for Standard Oil, figured out how to launch the modern petrochemical industry. He understood that this new contraption called the automobile was about to create this huge demand for petroleum products, and he understood that he had to squeeze more power from every molecule of petroleum. And because he did that, we had the prosperity we enjoyed, and we have many of the challenges we face today -- because of what he did in that small place, so long ago.

This paved the way for the automobile era. It showed us the power of science to change the paradigms which govern our world. And on the verge of the 21st century, we may be nearing a similar breakthrough -- a technological fix that can help us to meet our economic challenges, maintain our security, sustain our prosperity, and ease the threat of global warning. Science will be the key to our progress.

If we can make the raw material of tomorrow's economy living, renewable resources, instead of fossil fuels, which pollute the atmosphere and warm the planet, the future of our children and our grandchildren, the likelihood that there will be more prosperity -- and peace -- the likelihood that all these sort of sci-fi, Road Warrior movies about the 21st century will be nothing more than a figment of someone's imagination -- all that will be far greater.

One hundred years from now, people will look back on this time and compare it to the time when Mr. Burton figured out how to get more out of every petroleum molecule -- if we do our jobs.

Now, if you look at what's going on with trees and plants today, it's very impressive. And it's already been discussed here at the podium, but once we used only a seed or

a kernel, tossed away the rest -- now we're learning how to use entire plants. Microscopic cells are being put to work as tiny factories -- they convert crops and even waste into a vast array of fuel and material -- everything from paints to pharmaceutical to new fibers. And our ability to use waste in these ways will also be critical to our future.

We are best served by new technology when we ask what we hope to achieve. And again, at the risk of preaching to the choir, because this is an important -- there's not a lot of controversy here; I don't know, therefore, if we can generate any news. But I can tell you, 20, 30, 40 years from now people will look back on this meeting as an historic meeting if we do our job. Why? There are four reasons.

First, the potential economic benefits are staggering, not only for farmers -- they are obvious, because they can raise raw material, but for the timber industry, chemical manufacturers, power companies, and small entrepreneurs like Amal. And the Vice President is in Iowa today discussing how these technologies can help close the opportunity gap between urban and suburban and rural America by bringing new high-tech jobs to rural areas which have not yet participated fully in our prosperity.

Second, by substituting domestic renewable resources for fossil fuels we ease our growing dependence on foreign oil. And because inflation has been low and growth has been high, no one is paying attention to this. But we are going to have with the growth of population here and growth of population around the world, the increasing economic activity around the world, you're going to have enormous competition for oil which will make its supply more problematical and its price much higher within a relatively short time unless we do something to ease our dependence. It's important for our economy, for our security, for our environment.

Third, as the Council of Advisors on Science and Technology concluded in a recent report, we can help developing countries meet their own soaring needs for energy in ways that, again, improve the global environment and stabilize economies and societies. And, fourth, as I've already said, this will help us to meet the challenge of climate change, which I am convinced will be the most formidable environmental challenge the world faces over the next 20 to 30 years.

Scientists tell us this decade is probably the warmest in a thousand years, but the heat and drought of this summer, the natural disasters of the last few years are probably only a taste of what is to come, unless we act now to deal with this challenge. Bio-energy is a means to achieve all of these objectives -- to heat our homes, to fuel our vehicles, to power our factories while producing virtually no greenhouse gas pollution.

To make the most of these opportunities, government and industry must work together, as partners. In "industry" I include agriculture and small and big business, government and everyone in the private sector who is involved in this. The government provided critical leadership in developing the semiconductor, and the Internet. And we must also nurture these fledgling bio-industries in the same way.

In a few moments, I will sign an executive order to accelerate development of these 21st century technologies -- to strengthen our economy and protect our environment. I'm establishing a Cabinet-level council to develop strategic plans to help to bring bio-based technologies from farms, forests and labs to the marketplace.

In addition, I am setting a goal of tripling America's use of bioenergy and bio-based products by 2010. That would generate as much as \$20 billion a year in new income for farmers and rural communities, while reducing greenhouse gas emissions by as much as 100 million tons a year -- the equivalent of taking more than 70 million cars off the road. And believe me, if the technology develops fast enough, it would be easy to beat this goal. In this way, we plant the seeds of a new technology for a new century, to sustain both our prosperity and our environment.

In addition to exploring the further use of bio-energy, I just want to say there are other things we need to do as well. I'm sure you all would agree. We need to do more to accelerate the development of flexible-fuel vehicles. If we develop these energy sources, there must be something to receive them. So we need to do more of that, and we've got a couple of them outside that everybody ought to see.

We also must recognize that there are available today, at prices which are attractive today, and will grow increasingly attractive tomorrow as oil prices go up, elemental technologies that promote conservation and cut costs -- so you save energy and money, in homes, in farms, in factories today -- elemental technologies that are still not being maximized.

We just had a big announcement a couple days ago on a new light bulb that I believe will be much more attractive than the lighting systems, the conservation lighting systems that have been developed so far, and will save people millions and millions of dollars and an awful lot of energy. So we have to be sensitive to all these things if we expect to have the world we want for our children.

Last year, I am very grateful that the Congress voted for another billion dollars to research and develop clean, energy-efficient technologies, including bio-energy. In my present balanced budget, I have proposed further investments in these technologies, as well as tax credits for businesses and consumers who choose energy-efficient cars, homes and appliances. I know that Senator Lugar has a specific piece of legislation which would dramatically increase our investment in bio-energy research.

Anything we can do in this area, in my judgment, will have huge paybacks. And so, to all of you, I ask that you do what you can during this August period and when the Congress comes back to put this issue beyond partisan politics, to put it beyond the debate. We're talking about a tiny fraction of the budget for the combined recommendations we have made that can change the whole future of this country and this world, in the way that the automobile and the perfection of the petroleum processing did at the beginning of this century.

I can hardly tell you how strongly I believe that this can happen. And when it does happen, we will look back and be amazed, number one, that we took as long as we did to do it and, number two, how cheap it was to do it for the benefits we got out of it. We will all be amazed.

So anything any of you can do to make sure that 100 years from now somebody can talk about people like these two fine people who just spoke in the same way we talk about the people that perfected petroleum and developed the automobile -- to ensure that more of our farm families get to stay on the farm and people can make a decent living in rural America in an environmentally sustainable way -- to liberate America and other countries from their dependence on unstable sources of petroleum -- to break the mind-set that exists among too many both here and around the world that you cannot have economic development without burning more fossil fuel and, therefore, burning up the planet is just the inevitable consequence of getting ahead -- anything you can do to roll back those problems and to create opportunities will be profoundly important to the kind of world our children live in and what people say about you and our generation 100 years from now. It's hard to think of a greater gift we could give at the turn of the century or a new millennium than a clean energy future.

Thank you all and God bless you for your work.

(Applause.)

END

2:45 P.M. EDT

Slowdown in donations to legal fund may leave Clintons with \$1 million bill

By John Godfrey
THE WASHINGTON TIMES

The trust fund created to pay the legal expenses of the first family raised \$2.6 million in the first six months of 1999 but a slowdown in donations could leave the Clintons with a tab when the president leaves office in January 2001.

Local contributors ranged from Fannie Mae chief Franklin D. Raines to International House of Pancakes cashier Joseph F. Lumoneka, according to an audit released by the fund's trustees yesterday. Mr. Raines, who served Mr. Clinton as director of the Office of Management and Budget Director, gave \$1,000. Mr. Lumoneka gave \$1.

Overall, contributions came in at a better than expected pace during Mr. Clinton's trial for impeachment this winter, according to trustee and executive director Anthony F. Essaye. Since then, though, money has been harder to come by.

Response rates of 4 percent to 5

percent since the trial are typical for mailings, Mr. Essaye said. But if contributions continue at the pace set in the last month, an analysis of the audit provided yesterday shows the Clintons would still owe well over \$1 million.

Mr. Essaye said the trustees never set any fund-raising goals but wanted to do everything they could to "ameliorate" the burden.

Since its creation in February 1998, 80,000 contributions have been made from all 50 states, trust founder David Pryor said by telephone.

"This is a pretty amazing story in itself that so many, from so many states want to make sure that the first family does not leave the White House encumbered with a tremendous debt on their shoulders," said the former Democratic senator from Arkansas.

The trust fund has raised \$6.3 million since its creation in February 1998, but legal fees incurred since 1993 have added to \$10.5 million.

Trustee Maurice Mitchell de-

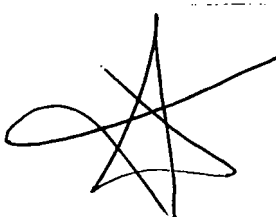
scribes that as "a staggering amount."

"Whatever the merits or misgivings of these legal proceedings, we believe it is in the public interest to assist the president in meeting this financial burden that could otherwise distract him from performing his public duties," he said.

Since January, those who contributed \$10,000 to the fund included Robert Shay, chief executive officer of NewLine Cinema; Haim Saban, executive at Fox Kids Worldwide; Robert B. Menschel, senior director at the Goldman Sachs Group; designer Ralph Lauren; Eli Broad, the head of SunAmerica Inc.; and two of the three leaders of DreamWorks SKG Studio, Jeffrey Katzenberg and David Geffen.

In 1998, all three of DreamWorks' principals, including Steven Spielberg, each contributed \$10,000.

But since January the only four-figure star on the list was actor Chevy Chase, who gave \$5,000.



Clinton taps bioenergy in global warming fight

ASSOCIATED PRESS

President Clinton set a goal yesterday to reduce global warming over the next decade by increasing U.S. use of technology that converts plants and trees into fuel, chemicals and electricity.

The president issued an executive order establishing a council to coordinate the federal government's effort to develop a biomass research program, and setting a goal of tripling use of bioenergy and bioproducts by 2010. Biomass energy, generated mostly from wood and wood waste, is currently about 3 percent of the total U.S. energy supply.

Mr. Clinton called bioenergy a possible "technological fix that can help us to meet our economic challenges, maintain our security, sustain our prosperity and ease the threat of global warming."

Biomass technology uses trees, crops and waste from agriculture or forestry to make energy that can then be used as fuel for cars or to

power factories. It also can be used to create a variety of chemicals and products ranging from pharmaceuticals to glue, paint or even textiles.

The ultimate goal of Mr. Clinton's order is to replace coal, oil, natural gas and uranium with cleaner, renewable biomass energy. If the goal of tripling biomass use by 2010 is met, annual greenhouse gas emissions would drop by more than 100 million tons, the equivalent of taking 70 million automobiles off the nation's roads, the White House said.

Meeting the goal also would generate \$15 billion to \$20 billion in income for farmers and rural areas, White House officials said.

During a visit yesterday to the Agriculture Department, Mr. Clinton appealed to Congress to approve \$242 million in his fiscal 2000 budget proposal for research and tax credits to promote energy efficiency, bioenergy and other clean energies.

Lawmaker wants China to pay first

U.S. Embassy put ahead of Beijing's

By Dave Boyer
THE WASHINGTON TIMES

The chairman of the House International Relations Committee wants China to pay for damage to the U.S. embassy in Beijing before the United States pays for bombing China's embassy in Yugoslavia, but China is rejecting the idea.

The Clinton administration already has agreed to pay \$4.5 million to aid the Chinese victims of the NATO bombing in Belgrade, a payment that does not require congressional approval.

Yu Shuning, a spokesman for the Chinese Embassy in Washington, said the People's Republic of China considers the damage to its embassy in Belgrade by NATO bombs as a separate issue from the subsequent vandalism caused by rock-throwing demonstrators at the U.S. embassy in the Chinese capital.

"We say it's completely different," Mr. Yu said in an interview. "We would not agree to have the two different issues discussed together, or any link. By bombing the Chinese Embassy, the U.S. government violated Chinese sovereignty."

The administration's decision to reimburse the victims of the May 7 bombing of China's embassy in Yugoslavia during the 78-day air campaign was a "voluntary payment" that did not require congressional approval, said State Department spokesman James P. Rubin. He said the payment was "based on the president's decision that we should ease the suffering" of bombing victims and their families.

"It was a unique and tragic event, and we do not believe [the payment] sets a precedent," Mr. Rubin said.

Rep. Benjamin A. Gilman, New York Republican and chairman of the House International Relations Committee, introduced a non-binding resolution July 16 calling for the United States and NATO not to reimburse China unless the PRC repays the United States for the damage to its government property in China.

Mr. Gilman's proposal noted that the U.S. government's apology for the embassy bombing was not

reported in China by the government-controlled media and that "marchers were ushered by Chinese police officers to within 25 feet of the walls of the United States Embassy" to hurl rocks, Molotov cocktails and chunks of concrete.

U.S. Ambassador James Sasser and 13 staff members were unable to leave the embassy for three days. In addition, the U.S. consul general's residence in Chendu was burned down and the U.S. consulate in Guangzhou was set ablaze.

Mr. Rubin said the United States and China have been engaged in "parallel discussions" about each nation reimbursing the other for property damage and that those talks should resume later this month. He could not estimate the damages sought by either nation.

Beijing has been mum about reimbursing the United States for deliberate damage by its citizens to several U.S. diplomatic offices in China.

U.S. officials said the Belgrade bombing, which killed three Chinese and injured 20 diplomats, was an accident caused when the CIA selected the wrong target on maps.

The bombing led Beijing to suspend military contacts and talks with Washington on human rights, security issues and China's bid to join the World Trade Organization (WTO). Chinese President Jiang Zemin denounced the attack as a deliberate provocation.

Tens of thousands of angry protesters splattered the U.S. embassy in Beijing with paint and broke its windows with rocks, sometimes hurling objects over the heads of Chinese security forces who appeared to encourage them.

Alexander Lennon, deputy director of studies at the Center for Strategic and International Studies in Washington, said the resolution would likely have no effect on U.S.-China relations except to "reinforce the impression of those in China who think that the United States is bound to hold China down in some way."

President Clinton and Mr. Jiang are expected to discuss the WTO issue when they meet in September in New Zealand at an economic forum.

The Washington Times

FRIDAY, AUGUST 13, 1999



Proposal would triple use of biofuel by 2010

By Traci Watson
USA TODAY

WASHINGTON — President Clinton announced Thursday a federal campaign to promote energy and materials made from farm crops and other plants rather than traditional fossil fuels such as coal, gas and oil.

Fossil fuels are the nation's primary source of energy, powering cars and electric and manufacturing plants. Biofuels — which include ethanol, made from crops and wood chips — provide only 3% of the nation's energy.

Clinton wants the United States to use three times more biofuels and bio-based products in 2010 than it does today. To meet his goal, Clinton created an interagency council Thursday to aid research and development of biofuels and bio-based products. Clinton also ordered the Energy and Agriculture departments to study how to increase government use of these products and to analyze whether tax credits would be a cost-effective way to promote research.

The White House estimates that the president's goal could put an additional \$15 billion-\$20 billion in farmers' pockets. The campaign would reduce dependence on foreign oil. When burned, biofuels emit smaller amounts of the gasses many



By Tim Sloan, Agence France-Presse

Clinton: Signs an executive order to promote the use of bio-based energy

scientists believe cause global warming. "It's important for our economy, for our security, for our environment," Clinton said.

Environmentalists were delighted. "We applaud the president," said Howard Geller, executive director of the American Council for an Energy-Efficient Economy. He called Clinton's plan "a vision of a cleaner and more prosperous... future."

Oil industry executives were less enthused. "We're concerned about what the real cost of this stuff is," said John Felmy, director of policy analysis at the American Petroleum Institute. He said current government subsidies to the ethanol industry are on the order of \$700 million a year.

Fund has paid off more than half of Clintons' legal bills

By Mimi Hall
USA TODAY

WASHINGTON — President Clinton's legal defense fund has paid off more than half the estimated \$10.5 million he and the first lady owe in legal bills. But the fund's trustees say they are concerned that donations will drop off in the wake of the Monica Lewinsky scandal and impeachment trial.

Trustees released a six-month report Thursday showing that in the first half of 1999, the Clinton Legal Expense Trust raised \$2.4 million from 39,000 donors.

Combined with what the trust raised since its inception in early 1998, it has collected a total of about \$6.3 million from nearly 79,000 donors in all 50 states.

The fund was established to help the Clintons pay legal debts owed to three law firms that have represented the president and first lady during the Whitewater investigation, the Paula Jones sexual harassment case and the impeachment process. Clinton is the first president to have a legal defense fund while in office.

Roughly 95% of the total donations have been for \$100 or less. In the past six months, 57 people gave \$10,000 each, the annual legal limit.

Trustees said it is still possible the fund could pay off all the Clintons' le-

gal debts by the time the president leaves office. But in the past six months, "the dollar amounts have dropped off to some extent," fund director Anthony Essaye said. "We're still getting a lot of money coming in, but in some degree, it's in smaller amounts."

Essaye called the fact that the impeachment is over "a wonderful trade-off" because Clinton supporters were eager to see the scandal end. On the other hand, since the crisis has passed, it is not as strong a motivational tool for the fund when it sends out letters soliciting money.

White House aides say Clinton will not ask the fund to cover the \$89,484 he was recently ordered to pay Jones' lawyers for lying in January 1998 during his deposition.

Among those who made \$10,000 donations from January through June of this year: movie executives David Geffen and Jeffrey Katzenberg, clothing designer Ralph Lauren and Goldman Sachs senior director Robert Menschel.

Donors must be U.S. citizens and may not work as lobbyists or be employed by the federal government's executive branch. Corporations, political actions committees and labor unions also are barred from giving. The names of donors are run through a computer database to make sure none of the rules are violated.

tent. Alexander has arranged a procession of bicyclists to kick off his party. Bush will have a convoy of motorcycles led by Colorado Sen. Ben Nighthorse Campbell and Wisconsin Gov. Tommy Thompson.

► At 2 p.m., the doors of the arena open and voting begins. Some people will just vote and leave, skipping the candidate speeches that come later. Each person must have a \$25 ticket to vote, but all the campaigns are paying for tickets, so few people will fork over their own cash.

People will have to show photo IDs to prove Iowa residency, but they don't have to be registered voters or Republicans. They do have to be 18 by Election Day, Nov. 7, 2000, which means people not quite 17 may vote Saturday. County voting machines will be used, and each campaign has named 10 poll watchers to make sure there's no

hanky-panky. Voting ends at 8:15 p.m.

The votes will be counted under the watchful eyes of two monitors from each campaign. McCain's name is on the ballot even though he won't be there. Ohio Rep. John Kasich, who quit the race, is still on the ballot, and so is New Hampshire Sen. Bob Smith, now running for the U.S. Taxpayers Party nomination.

► The program begins at 4 p.m. Each candidate gets 13 minutes: 10 minutes for a speech and a total of three minutes for an introduction and post-speech cheering.

Results are scheduled to be announced at 9 p.m. local time.

The self-serving dance of candidates and aides "spinning" the results will commence immediately and continue indefinitely.

Downplaying results

Not all the candidates are treating Ames like a Las Vegas floor show going to war. McCain won't play. Quayle, whose current single-digit standing suggests he won't win, calls the straw poll "an indicator" but not a definitive one. Even Bush, far out front in every recent poll, coyly points out that his campaign got a late start because he had to run Texas. "I don't think I've got as much at stake in this as the others do," Bauer says, contradicting pundits who say if he can't do well among Iowa's strong Christian right, he can't do well anywhere. "They don't give me much of a chance," says plain-talking late entry Hatch.

Dole insists it's not make-or-break for her. She sent an e-mail to supporters this week professing surprise that the media are covering the event "as if it were a major primary vote, rather than a state party function."

All those comments, of course, are examples of "pre-spin" and are designed to shrink expectations.

Bush, Forbes, Alexander and Hatch are going all-out to make Ames a hot ticket. Hatch's tent will feature basketball star Karl Malone, singer Vic Damone and pianist Roger Williams, an Iowa native.

Alexander has country singer Crystal Gayle on his marquee and barbecued ribs on his menu. He promises "big screen movie star" Sen. Fred Thompson of Tennessee and Miss Iowa USA Jaclyn Solinger.

Bush has singers Tracy Byrd, Linda Davis and Emilio Navaira; former Dallas Cowboys quarterback Roger Staubach; champion bass fisherman Johnny Morris; and 1998 Olympic skeet shooting gold medalist Kim Rhode. Bush paid \$43,500 for his slice of lawn here just to be a few yards closer to the front door. Forbes paid \$8,000 for his second-best spot. His headliners are singers Beverly Ellis, Debby Boone and Ronnie Milsap.

But before the hoopla, before the votes, the alibis and alleluias, the straw poll has already created one big winner. The Republican Party of Iowa's take from this fund-raiser on steroids: at least \$400,000.

Contributing: Richard Benedetto

► The candidates, 8A

Hourly News Summary Around the World, Around the Clock...with United Press International.

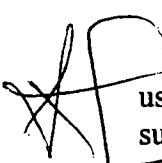
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The man who admitted killing a postal service employee faces the death penalty. Buford Furrow also allegedly shot and wounded five people at the North Valley Jewish Community Center in Los Angeles on Tuesday.

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A nationwide teleconference on school violence for parents, teachers, students and government officials kicked off with videotaped remarks by President Clinton. He said recent hate crimes in Chicago and Los Angeles are "another reason for us to rededicate ourselves to our common community."

-0-

 President Clinton went over to the Department of Energy to make a point about increasing the use of renewable materials for fuel. He said that will reduce reliance on oil imports. Clinton suggested ethanol and other crop-based fuels and chemicals.

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 Retail sales rose quite dramatically in July. The uptick beat most analysts' estimates. The Commerce Department says sales rose 0.7 percent last month. But the June sales rate was adjusted downward to a decline of 0.2 percent, from a gain of 0.1 percent first reported.

-0-

U.N. Secretary-General Kofi Annan marked the 50th anniversary of the Geneva Conventions. He said respect for them cannot be celebrated "in this final year of the decade in a century of war, genocide, and immense suffering."

-0-

The drought in the northeast. The director of the National Weather Service expects the drought will persist. John Kelly said relieving the current conditions will take a couple of tropical storms. Kelly noted tropical storms do not normally reach the Northeast.

-0-

Israeli Prime Minister Ehud Barak called on Syrian President Hafez Assad to resume peace talks. Barak repeated his pledge to pull the Israeli army out of southern Lebanon during the coming year.

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Downtown Salt Lake City is cleaning up in the aftermath of a rare tornado that damaged the Delta Center sports arena and the Salt Palace convention center. One person was killed, about a hundred people were injured, most with minor cuts from flying glass and debris.

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By Peter Burns (UPI Radio).

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WHITE HOUSE NEWS REPORT

Friday, August 13, 1999

AP DAYBOOK, WASHINGTON, FRIDAY, AUGUST 13
HIGHLIGHTS

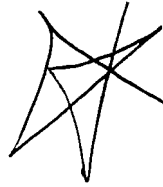
Commerce Department releases report on business inventories for June. 8:30 a.m.

Labor Department releases the Producer Price Index for July. 8:30 a.m.

Principal Deputy Assistant Secretary of State Beth Jones holds an on-the-record, on camera briefing for foreign media only on the UNICEF report on sanctions on Iraq. 11 a.m.

Newspaper	Monday Lead	Tuesday Lead	Wednesday Lead	Thursday Lead	Friday Lead
Washington Post	INS shifts policy on detainees	Yeltsin sacks another premier	Battle for House fuels cash race	More drought disaster areas named	China mulls use of force off Taiwan
New York Times	Republicans' goal: \$1 million from top donors	Yeltsin dismisses another premier	U.N. asserts role in running Kosovo	Board for Kansas deletes evolution from curriculum	After shootings, nation's schools add to security
LA Times	Russian troops attack Muslim rebels	Yeltsin tabs new prime minister	Gunman wounds 5 at Jewish center	Supremacist confesses to center shootings	Furrow randomly found center
USA Today	Governors focus of tax fight	FBI digitizes fingerprint system today	Governors warn: Don't cut spending	Twister whips Salt Lake City	Reno pitches tougher gun controls
Washington Times	Arafat OKs peace bid's starting date	Yeltsin fires another premier	Babbitt and Rubin 'fined' for 'misdeeds'	China company grabs power over Panama Canal	U.S. won't allow China to close Panama Canal
	Sunday Night	Monday Night	Tuesday Night	Wednesday Night	Thursday Night
ABC	N/A	Day-trading industry study	Gunman opens fire in CA center	N/A	Day care shooter unrepentant
CBS	N/A	Day-trading industry study	Gunman opens fire in CA center	N/A	Gunman had history of hate; faces death penalty
NBC	N/A	Yeltsin fires cabinet again	Gunman opens fire in CA center	N/A	Details emerge about gunman

Wire Report.....
TV Headlines.....
New York Times.....
Washington Post.....
Wall Street Journal.....
USA Today.....
Los Angeles Times.....
Washington Times.....
Chicago Tribune.....
Knight-Ridder.....
Dallas Morning News.....



Clinton Executive Order Promotes Use Of Biomass Energy to Aid Environment

By CHRISTINE B. WHELAN
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — President Clinton issued an executive order calling for increased use of trees, crops and agricultural waste as environmentally friendly sources of energy.

Joined by the heads of the Agriculture and Energy departments and the Environmental Protection Agency, the president said the use of so-called biomass energy instead of petroleum-based fuels will decrease U.S. dependence on foreign oil and ensure a cleaner environment.

Calling bioenergy a "technological fix" to ease global warming and fuel dependence, Mr. Clinton said, "It's hard to think of a greater gift that we can give at the turn of the century and the turn of the millennium than a cleaner future."

Biomass energy can fuel cars, power factories and be used to create other everyday items such as plastics, ink and dyes. Currently, bioenergy accounts for only 3% of the U.S. energy supply. Yesterday's order calls for the U.S. to triple that level by 2010. Officials said if that goal is achieved, greenhouse-gas emissions would be greatly reduced—the equivalent of taking more than 70 million cars off the road.

"With biomass, we are making gold out of what has historically been billed as waste," said EPA Administrator Carol

Browner. "This would replace our dependency on traditional fossil fuel."

The president called for government and private-sector cooperation to develop the technology necessary to achieve the administration's goals. In addition, the order, reported yesterday in the New York Times, encourages research and development and tax incentives for companies venturing into bioenergy production.

Mr. Clinton's fiscal 2000 budget requests \$242 million in support of bioenergy, but administration officials said most of the additional funding would come from the business community.

Ms. Browner said biomass development would add about \$15 billion to \$20 billion a year in new income for rural areas by 2010.

Mr. Clinton's order coincided with Vice President Al Gore's campaign visit to farming communities in Iowa yesterday, where he is touting the new proposal. Administration officials stressed the benefits of biomass for farmers, while defending the timing of yesterday's announcement. "If it's good politics, so be it," Ms. Browner said. "But this is really good for farmers."

Officials said the executive order was largely in response to a National Research Council study that found biomass to be a viable, clean and renewable source of energy for the future.

Clinton Still Supports Strong-Dollar Policy, Dismissing Concerns

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—President Clinton dismissed concerns about the dollar's recent weakness, saying that "we haven't modified our policy" in favor of a strong U.S. currency.

"The United States has to be for a strong dollar," he said in a television interview broadcast on the Public Broadcasting Service's "Nightly Business Report" yesterday.

Mr. Clinton also suggested that he expected the stock market to slow down over the next few years, saying that "I think it's unrealistic to think that it's going to more than triple every five years." He added that he didn't believe the market's recent jitters were predicting tough economic times ahead.

The president ducked a question about whether he would reappoint Alan Greenspan when the Federal Reserve chairman's term expires next June. "I have no earthly idea what his intentions are, and we haven't had a chance to talk," he said.

Mr. Greenspan, who will be 74 years old when his current four-year term ends, hasn't said publicly whether he wants another stint running the central bank.

"I think he's done a good job," Mr. Clinton said of the Fed chairman. "The important thing is for the American people to know that I support the direction he has taken."

Turning to his budget battles with Congress, Mr. Clinton said he was willing to negotiate over the content—though not the size—of a tax cut.

"What I'm flexible about is what's in the tax cut," the president said, sticking to his insistence that the 10-year total cost not exceed \$300 billion.

nions opposed the Baltimore contracts from the start. Now calls it "an absolute vicious feuding over staff assignments to Tesseract, and the unions that EAL employees and traveling at district expense. The districts cut short their contracts. Tesseract says it posted losses of \$1 million on the two contracts. Revenue was \$214 million in 1995 to \$5 million a year later. Mr. Golle, a former copy-machine salesman, left Hartford, derisively being compared with the Music Man, a musical-instrument salesman who planned to hop a train after selling Iowans on the idea of starting a boys' band.

"We thought we could improve public education from the inside," Mr. Golle says now, in Tesseract's Scottsdale, Ariz., offices, which are as new and nondescript as the neighborhood outside. "We learned we have to change it from the outside."

Tesseract started on that road by opening a handful of for-profit private schools in Arizona, Minnesota, New Jersey and in Indiana, where its school closed for lack of students. Then last year, as the charter

movement caught fire, Tesseract opened a charter school in Phoenix, reporting to shareholders that the new schools were a surer moneymaker than its private schools. For one thing, demand for charters was so great that they seldom opened with an empty seat.

In short order, Tesseract bought Sunrise Educational Services Inc., which operates a string of preschools, before-and-after-school programs and charters. It acquired Academy of Business Inc., which offers adult computer training and certification. And it began opening its own charters: It will operate six by the time school opens this summer, with plans for 10 more a year from now. In a recent presentation to analysts, Mr. Golle likened his reformulated company—with its schools for many ages and incomes—to Marriott International Inc., with its hotels for many price ranges.

Investors remain wary of Tesseract's new direction, and indeed of education stocks generally, with many down by 20% or more from a year ago. Tesseract shares that sold for \$4 during a 1991 initial public offering, then soared to \$49 in 1993 on the strength of the Miami and Hartford contracts, fell by half in 1994—and then kept falling. The shares now trade at \$3 a share on the Nasdaq Stock Market—down about 40% from a year ago.

Lucian Spataro Jr., Tesseract's vice president, warns analysts that the stock is "high risk" and that investments should be viewed as venture capital. And Robert Peterson, who follows education stocks for the investment firm U.S. Bancorp Piper Jaffray, says the Hartford and Baltimore failures "clearly tarnished" Mr. Golle's reputation with investors. But the company's new plan—managing charters instead of public-school districts—"fills a screaming need, and need follows money," Mr. Peterson says.

That new plan is likely to get its first real trial here in Peoria, a century-old farming town where soybean fields are fast being devoured by spillover growth from nearby Phoenix. Flat and featureless, Peoria has ballooned from 15,000 people in 1980 to 100,000 now; it expects to grow to 180,000 in 30 years. Peoria's public-school system has kept up with that growth by building one or two schools a year for the past two decades, and keeps a demographer on staff to tell it where and when to build next. But three years ago, Peoria's city council upended the district's planning when it allowed housing construction to begin on six square miles of orange groves in the northwest corner of town. With interest rates at their lowest in decades, "the developers descended," says Paul Koehler, Peoria's superintendent.

Peoria opened Frontier Elementary, its first school in the neighborhood, last August, and 1,600 youngsters showed up for

the 1,200 seats. With new children arriving daily—and after adding 14 classes—the district finally closed Frontier to new admissions, and told parents to enroll their children in other Peoria schools.

Without a school as a selling point, developers threatened the district with \$1.7 million in claims for lost home sales. Then, one builder proposed a compromise: It would give land inside its development, already set aside for a park, to Peoria. Eastridge Cos., a privately held school developer, would finance construction of a new school on the site and lease it to Tesseract. Tesseract, in turn, would have the Peoria Tesseract Public Charter School up and operating by July, paying Eastridge out of its state allocation.

One advantage to this: Charters are freed of much of the bureaucracy that tells public districts how to build and run a school. Tesseract's Peoria school is being stamped from a pattern—an airy building with a no-nonsense corrugated-steel roof, exposed air-conditioning ducts and polished concrete floors. By standardizing the architecture, technology, furniture, supplies and even the color palette, Tesseract figures it can design a school in a few days. That done, "you start pounding them out," Mr. Golle tells analysts.

Mr. Golle calls enrollment "my occupancy;" education programs are "products on the shelf"—language that seems designed to rile the teachers unions. His schools will be unconventional, too, he promises. When classes begin in Peoria later this month, youngsters will log in with a daily thumbprint that Tesseract will use both for security and for something akin to inventory control—calculating daily enrollment and revenue, applying for grants and reimbursements, deciding which programs to add or drop. "All it is is a department store," says Mr. Golle, "and we're just moving departments around."

Data processing, cleaning and food service—huge problems for most public schools—will be contracted out. Before-and after-school programs and summer sessions, which are in high demand in communities where both parents work, will keep the schools open and earning money when most traditional public schools are locked tight. And after the kids go home, Tesseract's business school will move in with training courses that the company predicts parents will need in their jobs, and be happy to pay for.

How happy Peoria's parents—and ultimately, shareholders—are with Tesseract will depend more on what kids learn than on thumbprint IDs, of course. Tesseract's curriculum is long on hands-on lessons, team projects and computer learning.

On that diet, its private-school youngsters in Minnesota scored well above Minnesota public and other private schools on

standardized tests. Its private-school kids in Phoenix scored high nationally, but because Tesseract and Phoenix-area public schools use different standardized tests, the two can't easily be compared. But charter schools generally are too new for researchers to conclude that they do a better job, or a worse one, at educating kids. And anyway, Peoria's public-school students score above the state average on standardized tests at every grade level and on every subject. Without test scores to show for its one Phoenix charter, Tesseract points to what it considers a significant measure of parental satisfaction: full re-enrollment for this fall among those students eligible to return.

Tesseract will receive about \$4,300 from the state education budget for each youngster it enrolls in its Arizona charter schools this year, and slightly less in Texas, where it will open a charter this fall, and in Florida, where it is looking for charters to open in 2000. Mr. Levin at Teachers College estimates it costs about \$4,000 a year to educate an average student, leaving out music, art, remedial classes—and profits for the shareholders.

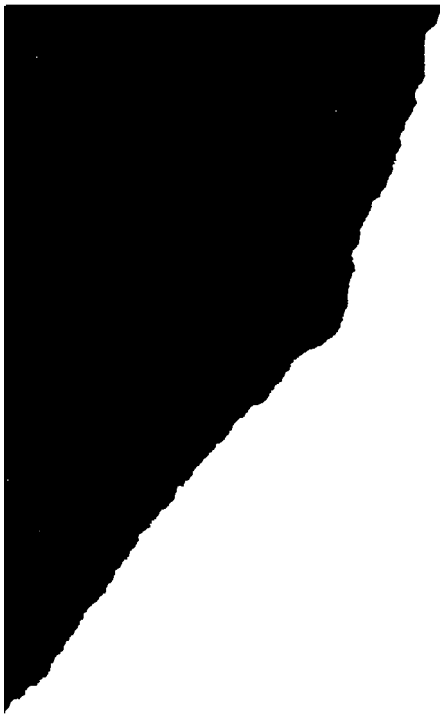
But Tesseract says federal and state supplements for lunches, transportation and building maintenance, among other things, will add to student allocations. In the fast-growing states where Tesseract is planning most of its new schools, and where the public schools are so full or troubled that charters open at capacity, Mr. Golle contends that will be enough to make money. Tesseract said it had \$37 million in revenue for the year ended June 30; it expects to report an operating loss when it posts earnings later this year but declined to say how large that loss will be.

With five new schools opening this fall, Mr. Golle predicts revenue of \$60 million and an unspecified operating profit for the year ending June 30, 2000.

Tesseract's one venture outside those high-growth states is Washington, D.C., where it is converting an abandoned grocery store in the down-and-out Anacostia neighborhood into a charter for 500 youngsters. Per-student allocation in Washington will start at \$8,300 this fall and climb with federal supplements to \$10,000—"so much money you don't know what to do with it," Mr. Golle says.

Running a successful school in a school district where test scores trail the rest of the nation isn't just a matter of money, though, and that's the allure of the Anacostia school. A successful charter under Congress's nose would only fuel the charter movement, and a successful school run by a profit-making company could fuel the growth of school management.

"This is a complex, labor-intensive, capital-intensive business," Mr. Golle insists. "This is not a mom-and-pop business."



When Someone Has TB

Doesn't Washington have enough image problems without The Post's sensationalistic In Brief headline "TB Diagnosed in 2 Students at NW School" (Metro, July 7)? TB is an airborne disease caused by mycobacterium tuberculosis, in which a prolonged exposure is needed to develop infections. Those students do not have tuberculosis, nor were they diagnosed with tuberculosis.

After having positive reactions to a common screening test and normal chest X-rays, the students were diagnosed as having TB infections, or inactive TB, as The Post called it. The children are not contagious and pose no threat to others. Most people who test positive for TB infections don't know where, when or from whom they acquired the bacterium. Although The Post goes on to state this information, I have to wonder how many people read

far enough into the article to learn these facts.

Active TB, or TB disease, is a reportable disease, but TB infections are not reportable to the D.C. Health Department or to other health departments. Fortunately, TB infections are treatable, and most health departments are there to assist anyone seeking prophylactic treatment, thus preventing another case of active TB. Did The Post stop to think how many children in Fairfax County or Montgomery County have been diagnosed with TB infections?

As a public health nurse, I become highly dismayed when I read sensationalistic, inaccurate articles such as this one. Only after skin testing, chest X-rays and positive sputum cultures is a person diagnosed with TB.

KARLA J. ABNEY
Washington



For the Record

From remarks by Carol Browner, administrator of the Environmental Protection Agency, at a White House briefing yesterday:

What is biomass? I think as its name implies, it's organic, it's trees, it's crops, it's agriculture, it's forestry waste, [which] can all be used to fuel a car, heat a home, power industry, replace traditional chemicals.

These materials can also be used to create new kinds of products—inks, paints, packing materials—that will decay when they are disposed of, rather than pollute the earth for centuries to come.

Quite simply, biomass is to the next century what petroleum was to this century. It is the next generation of fuels and chemicals.

... By moving towards fuels produced by renewable and cleaner-burning biomass, we are recognizing that not all of our energy needs lie under the earth in wells and in mines. We are recognizing that our farmlands, our forests can produce supertankers worth of cleaner-burning fuels that will help stem the release of greenhouse gases that contribute to global warming.

Consider this: By the year 2020, it is estimated that the ethanol produced from biomass—and this is not the ethanol that we produce today from the kernels of corn but rather ethanol that will be produced from the entire corn plant, other types of plants—this biomass ... could replace 348 million barrels of imported oil. That means American farmers will have produced the equivalent of 158 foreign supertankers of energy.

The Washington Post

FRIDAY, AUGUST 13, 1999

**DONNA
BRITT**

Drawing Tolerance From Common Sense

Some people make tolerance look like simple common sense. Like my friend, Kathy, my lunch date on Tuesday.

That just happened to be the day of our nation's most recent gun rampage, at a Jewish community center in suburban Los Angeles. Five people were wounded, three of them tiny children. More kids might have been shot had they not just left for a field trip to—how strangely apt—the Museum of Tolerance.

Clearly, confessed gunman Buford O. Furrow has a serious tolerance problem.

Recently, so do I. I'm feeling awfully intolerant of people like Furrow who see something heroic about spraying gunfire at toddlers—or at any unarmed, unresisting soul. I'm feeling intensely unaccepting of those linked to hate groups, grown men and women who can't grasp what the smallest child knows:

Bullies, whether armed with epithets or Uzis, are cowards.

So I was lucky to have scheduled lunch with one of the best possible people to put tolerance in perspective.

Kathy, who in May earned her master's degree in social work, isn't an "expert"—one of the psychologists, legal eagles or law enforcement officials to whom the media flock after tragedies.

She's just a friend, a wife and a mother who—with her husband, Bob, a software company manager who for years avoided the "fast track" to maximize his time with their kids—raised three children in such a way that it is impossible to imagine them behaving intolerantly.

She's also exactly the kind of person we hear too little about.

I say this partly because I know her kids. Kathy and Bob, who are white, are immensely proud of all of their children: their daughter, 20, a college senior whose first serious boyfriend was gentle, ambitious—and black; their younger son, 22, a musician in a multiracial hip-hop group; and their elder son, 25, who dated an Asian girl and now works for a public interest group on labor and environmental issues.

None of their kids sought

multiracial relationships. They merely refused to shut anyone out. Which shouldn't be special, but is. I told Kathy, 52, as much over lunch, confessing that, as a black person, I'd long wondered how anyone raised in a well-off WASP enclave (Lake Forest, Ill.) without a single poor, minority or Jewish friend, could be so embracing.

As a child, she explained, "I looked at what my religion (Catholicism) taught. And then I looked at what the Constitution said." Between them, it was clear that discriminating for any reason "was just *wrong*. . . . It was so clear."

Simple common sense, she suggested.

So why is tolerance so uncommon a notion for some others? Why does Kathy's decision to live a tolerant life—made 40 years ago by a child who accepted God's admonition to love and the Constitution's promise to protect—seem rare?

But maybe she isn't alone. Maybe there are millions of Kathys and Bobs, but we don't hear about them on the evening news. In fact, we need to be reminded that such people exist, to spend as much time and energy focusing on their successes as on the failures of the intolerant.

Certain failures are difficult to ignore. Also in the news: the fatal beating of a gay soldier in his barracks; the rampant spread in Africa of AIDS, a disease that has orphaned more than 8 million children worldwide; the more than 700,000 Americans who have joined the ranks of the "extremely poor"—\$6,750 for a family of three—during our celebrated prosperity.

That most of us can read such things and take another sip of Starbucks suggests we are quite accepting of the wrong things. The challenge is to become more tolerant in the right way—compassionate enough about strangers that we find their pain as outrageous and unacceptable as our own. What does that require?

Common sense, according to Kathy.

No one asks to be born white or black, poor or wealthy, gay or straight, she theorizes. Each of us is given the lot we receive for reasons that only God, or fate, can explain. So those who would hate or discriminate based on superficial factors haven't asked themselves the most obvious, tolerance-inducing question:

What if it were me? What if I were the one who was poor, Latino, black, whatever I'm tempted to reject? But for a twist of fate, I could be.

Tolerant people think like that. Yet being intolerant is "so easy," Kathy acknowledges. "It's the line of least resistance for the discouraged—seeing those who are Jewish or handicapped or a different skin color and making them the enemy."

For people like her, hatred is the real enemy—not that she'd ever put it that way.

"I don't think we ever said to our children, 'This is how you should behave toward people,'" Kathy says. "It was just part of the fabric of our lives."

How simple. How obvious. How, it seems lately, uncommon.

August 13, 1999

WSJ

Clinton Executive Order Promotes Use Of Biomass Energy to Aid Environment

By CHRISTINE B. WHELAN

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — President Clinton issued an executive order calling for increased use of trees, crops and agricultural waste as environmentally friendly sources of energy.

Joined by the heads of the Agriculture and Energy departments and the Environmental Protection Agency, the president said the use of so-called biomass energy instead of petroleum-based fuels will decrease U.S. dependence on foreign oil and ensure a cleaner environment.

Calling bioenergy a "technological fix" to ease global warming and fuel dependence, Mr. Clinton said, "It's hard to think of a greater gift that we can give at the turn of the century and the turn of the millennium than a cleaner future."

Biomass energy can fuel cars, power factories and be used to create other everyday items such as plastics, ink and dyes. Currently, bioenergy accounts for only 3% of the U.S. energy supply. Yesterday's order calls for the U.S. to triple that level by 2010. Officials said if that goal is achieved, greenhouse-gas emissions would be greatly reduced—the equivalent of taking more than 70 million cars off the road.

"With biomass, we are making gold out of what has historically been billed as waste," said EPA Administrator Carol

Browner. "This would replace our dependency on traditional fossil fuel."

The president called for government and private-sector cooperation to develop the technology necessary to achieve the administration's goals. In addition, the order, reported yesterday in the New York Times, encourages research and development and tax incentives for companies venturing into bioenergy production.

Mr. Clinton's fiscal 2000 budget requests \$212 million in support of bioenergy, but administration officials said most of the additional funding would come from the business community.

Ms. Browner said biomass development would add about \$15 billion to \$20 billion a year in new income for rural areas by 2010.

Mr. Clinton's order coincided with Vice President Al Gore's campaign visit to farming communities in Iowa yesterday, where he is touting the new proposal. Administration officials stressed the benefits of biomass for farmers, while defending the timing of yesterday's announcement. "If it's good politics, so be it," Ms. Browner said. "But this is really good for farmers."

Officials said the executive order was largely in response to a National Research Council study that found biomass to be a viable, clean and renewable source of energy for the future.

Asia seeks clean-energy sources in lieu of abundant but dirty coal

By Charles J. Johnson
SPECIAL TO THE WASHINGTON TIMES

In a paper to be published by the East-West Center in Honolulu, Charles E. Johnson looks at Asia's energy outlook in the 21st century.

The good news for Asia is that its fossil-energy resources are so large that no shortage of energy is likely for another century.

The bad news is that almost 90 percent of these energy reserves are coal — the dirtiest fossil fuel when burned without proper pollution-control equipment.

Coal, Asia's cheapest and most abundant fuel, has the unenviable title of being Asia's largest source of airborne health-damaging pollutants among fossil fuels.

A switch to more convenient, less polluting fossil fuels, such as oil and natural gas, would help.

Asia's oil reserves, however, would last less than a decade if it were to rely exclusively on them. Asia therefore must increasingly import oil from the Middle East, and eventually Russia and the former Soviet Union.

A promising option is greater use of natural gas, much cleaner burning than either coal or oil, but which now accounts for less than 10 percent of Asia's primary energy consumption. Asia has substantial conventional natural gas potential, but substitution of natural gas for dirtier fuels is a "chicken-and-egg" problem.

Most of Asia lacks the pipelines to transport natural gas to markets, but companies are reluctant to explore and develop natural gas deposits until they have assured markets.

The price tag for a single regional pipeline is in the \$10 billion range, and a fully integrated natural-gas network across Asia will probably have a minimum \$75 billion price tag, a daunting challenge given the present Asian economic crisis.

The cleanest energy option would be to switch to renewable technologies — hydropower, solar and windmill technologies — but these alternatives have not fared well in increasingly competitive energy markets.

The challenge facing coal, therefore, is how to meet increasingly stringent environmental laws and still remain competitive with cleaner competing fuels. The health, social and economic costs of coal-related pollution in Asia is speculative but probably exceeds \$50 billion per year.

Meanwhile, the potential good news is that the first quarter of the 21st century could be the turning point away from coal use in its traditional form. In fact, the long-term gas option becomes very favorable when one looks beyond Asia's conventional natural gas reserves:

• **Methane** — The main component of natural gas is methane, which is found in many large coal deposits, and can be recovered and used to supplement natural gas supplies.

In China, the potential reserves of methane in coal far exceed those in conventional natural-gas deposits. The problem is that large-scale recovery of coal-bed methane is more difficult than collecting conventional natural gas, resulting in higher production costs and greater uncertainty about commercial viability of projects.

Coal-bed methane supplies in China and India might be comparable in size to energy sup-

plies from solar and wind within a quarter-century, given government policies that encourage active private-sector participation.

• **Coal-to-gas** — Dirty coal can be converted to clean fuels through a process called gasification. Advanced technologies for gasification of coal combined with electricity generation are now 15 percent to 20 percent above the costs of conventional coal-fired power plants.

This technology has the lowest environmental emissions of any coal technologies and is the best option for the future recovery of the greenhouse gas, carbon dioxide. In addition, gasification of coal produces hydrogen, an ideal fuel for the future fuel-cell technologies that can push up energy conversion efficiencies by at least an additional 50 percent.

Indeed, the successful introduction of advanced coal-gasification technologies on a large scale may be critical to both coal's long-term growth in Asia and the eventual control of greenhouse-gas emissions.

• **Methane hydrates** — The largest fossil-fuel resource in the world appears to be in the form of methane hydrates, almost unknown as a commercial possibility until the late 1990s. Preliminary estimates indicate that methane hydrate resources are larger than the combined total of the world's conventional coal, oil and natural gas reserves and resources.

Methane hydrates are ice structures containing methane, the primary constituent of natural gas. They are typically below the seabed at water depths greater than 500 meters, where high pressures and low temperatures facilitate their formation, but where little oil and gas exploration occurs.

The appeal of these deposits is their massive size and wide distribution around all continental margins, including Asia. Although the technologies and economics of commercial methane hydrates recovery appear to be decades away, the immense size of these deposits and their proximity to energy-deficient countries suggest that governments and industry will turn to evaluating this new energy resource long before depletion of conventional fossil-energy reserves.

Thus, the Middle East of the mid-21st century may be below the seabed.

The era of the fear of long-term energy shortages is over for Asia. But coal use is projected to double within a quarter-century. The two most important factors in shifting to a clean-air future for Asia are introducing and enforcing advanced clean-coal technologies, and promoting a shift toward clean fuels, particularly natural gas.

• **Charles E. Johnson** is coordinator of environmental studies in the East-West Center Research Program, a member of the APEC Experts Group on Clean Fossil Energy and a consultant to the Energy Department. Address e-mail to johnsonc@ewc.hawaii.edu.

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	[Personally Identifiable Information] [partial] (5 pages)	08/11/1999	b(6)

COLLECTION:

Clinton Presidential Records
Office of Environmental Initiatives
Angie Mizeur
OA/Box Number: 19507

FOLDER TITLE:

Climate Events/Initiatives Bioenergy

2017-1093-F

rs3156

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Re: Ballentine

MEMORANDUM FOR WAVES (5-5349)

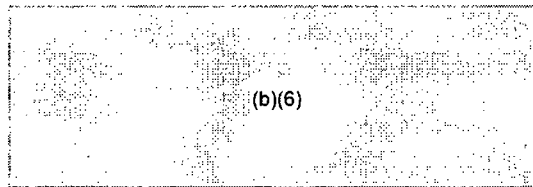
FROM: ROGER BALLENTINE, WHITE HOUSE ENVIRONMENTAL INITIATIVES

DATE: AUGUST 11, 1999

Please WAVE the following people in for a meeting in the West Wing for Thursday August 12, 1999 at 11:30am. If you have any questions or concerns, please feel free to call me at 6-1782. Thank you.

<u>NAME</u>	<u>DOB</u>	<u>SSN</u>
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Linda Delgado		
Joseph Glauber		
Daniel Reicher		
Michael Terwilliger		



Long 8/11

6:42

MEMORANDUM FOR WAVES (5-5349)

FROM: ROGER BALLENTINE, WHITE HOUSE ENVIRONMENTAL INITIATIVES

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<u>NAME</u>	<u>DOB</u>	<u>SSN</u>
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Paul Bledsoe		
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MEMORANDUM FOR WAVES (5-5349)

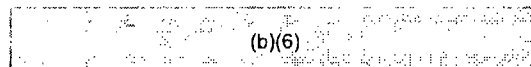
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<u>NAME</u>	<u>DOB</u>	<u>SSN</u>
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John Gibson		
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Aug 6/12
1015

MEMORANDUM FOR WAVES (5-5349)

FROM: ROGER BALLENTINE, WHITE HOUSE ENVIRONMENTAL INITIATIVES

DATE: AUGUST 11, 1999

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NAME	DOB	SSN
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Richard Bradshaw		
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to 9:45 *8/12*

MEMORANDUM FOR WAVES (5-5349)

FROM: ROGER BALLENTINE, WHITE HOUSE ENVIRONMENTAL INITIATIVES

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Elijah Levitt		
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Federal Register

Vol. 64, No. 157

Monday, August 16, 1999

44639

Presidential Documents

Title 3—

The President

Executive Order 13134 of August 12, 1999

Developing and Promoting Biobased Products and Bioenergy

President by the C

White House Executive Order Announcement and Event
8/12/99

Draft 4
Wed @ 1 PM

Roundtable Participants (as of 8/11 @ 1:00pm):

1. Secretary Richardson
2. Secretary Glickman
3. Administrator Browner
4. Senator Richard Lugar

5. Will Attend	Dr. Joseph Miller, Chief Technology Officer	Dupont Corp. PO Box 80328 Wilmington, DE 302 774 1000 F 302 695 8114 Attn Bob Dorsch	Chemical producer working with biomass and biotechnology innovations.
6. Will attend	Ms. Amal Mansour CEO	Manufacturing Technology & Conversion Inc. Baltimore, MD 410-354 9890	Manufactures advanced biomass gasifier – working with DOE on utility scale system w/ wood residues
7. Will Attend	Mr. Edan Prabhu President	Reflective Energies 22922 Tiagua Mission Viejo, CA 92692 (949) 380-4899	Designs biomass “gasifiers” and “microturbine” power Plants that bring Clean-burning, low Cost, portable power Plants to biomass sites.
8. Will attend	Mr. Michael Yost President	American Soybean Assoc. 825 100 th Ave SE Murdock, MN 56271 (320) 875 2654	Former President, Biodiesel Board Real farmer
9. Will attend	Mr. Roger Pine	National Corn Growers Assoc.	Real Farmer

10. Will Attend	Mr. Stephen Gatto CEO	BC International 990 Washington Street, Suite 104 Dedham, MA 02026 (781) 461-5700	Develops technologies to produce ethanol and other chemicals from biomass. Completing the financing to construct the world's first commercial bioethanol manufacturing facility, a 20-million+ gallon plant in Jennings, Louisiana,
11. Will attend	Mr. Tom Mitchell President & CEO	Genencor International, Inc. 4 Cambridge Place1870 South Winton Place Rochester, NY 14618-3916 (716) 256-5200	World's largest company dedicated exclusively to industrial biotechnology.
12. Will Attend	Lanny Jass CEO	Phoenix Biocomposites Inc. PO Box 609 Mankato, MN 56002 (507) 344-5508	AARC success story. They make and sell a construction material (heavy construction and used in kitchen cabinetry and other furniture) made from soybeans and recycle newspaper.
13. Will attend	Dr. Bruce E. Dale Chair	Dept of Chemical Engineering Michigan State University A 202 Engineering Bldg East Lansing, MI 48824 (517) 353 6777	Chair, National Research Council study on biobased products. Researching biomass technologies, particularly pretreatment for most of career.
14. Will attend	Ms. Carol Werner Executive Director	Environmental and Energy Study Institute 122 C Street, N.W., Suite 700 Washington, DC 20001 (202) 628 1400	A non-profit organization dedicated to promoting environmentally sustainable societies.
15. Await RSVP	Mr. John Rowe CEO	Commonwealth Edison 312 394 3227	

JL Whitten Bldg
1400 Indep. SW
Main Entrance on
Jefferson Drive

White House Executive Order Announcement and Event
8/12/99

Draft 2
8/9/99
6:30 PM

Roundtable Participants:

Secretary Richardson

Secretary Glickman

Administrator Browner

Senator Richard Lugar

<i>Name Title, Fax, Cell, & Secretary</i>			
RSB to call	Mr. Chad Holliday CEO <i>- will be in office at 4:00 -</i>	Dupont Corp. 1007 Market Street Office D9000 Wilmington, DE 19898 (302) 774 1000	Chemical producer working with biotechnology and biomass to develop solutions that make a difference in people's lives. <i>Dr. Bob Dorosh 5-7600</i> <i>Dr. Miller (495-3332)</i> <i>Tandra Wells</i>
RSB to call <i>No - Send in a substitute</i>	Mr. Warren R. Staley President & CEO	Cargill Inc. PO Box 5724 Minneapolis, MN 55440 (612) 742 7575	International marketer, processor and distributor of agricultural, food, financial and industrial products.
RSB to call	Mr. Richard Olson CEO and Chairman <i>No</i>	Champion International Corporation One Champion Plaza Stamford, CT 06921 (203) 358-7352	Responsibility for the sustainable management of approximately 11 million acres of forest lands supporting its manufacturing facilities.
Will attend	Ms. Amal Mansour CEO	Manufacturing Technology & Conversion Inc. Baltimore, MD 410-354 9890	Manufactures advanced biomass gasifier – working with DOE on utility scale system w/ wood residues
Await response	Mr. Edan Prabhu President	Reflective Energies 22922 Tiagua Mission Viejo, CA 92692 (949) 380-4899	Designs biomass “gasifiers” and “microturbine” power Plants that bring Clean-burning, low Cost, portable power Plants to biomass sites.

Will attend	Mr. Michael Yost President	American Soybean Assoc. 825 100 th Ave SE Murdock, MN 56271 (320) 875 2654	Former President, Biodiesel Board Real farmer
Will attend	Mr. Terry Wolf	Illinois Corn Growers Assoc. (309) 827 0912	Real Farmer
Will attend	Mr. Stephen Gatto CEO	BC International 990 Washington Street, Suite 104 Dedham, MA 02026 (781) 461-5700	Develops technologies to produce ethanol and other chemicals from biomass. Completing the financing to construct the world's first commercial bioethanol manufacturing facility, a 20-million+ gallon plant in Jennings, Louisiana,
Will attend	Patrick Mulchay President & CEO	NIPSCO 801 E. 86 th Ave. Merrillville, IN 46410 (219) 647-6004	Northern Indiana Public Service Company (NIPSCO), a subsidiary of NiSource, is a regulated utility. NIPSCO is the largest natural gas distribution company, and the second largest electric distribution company, in the state of Indiana.
Jeff to call?	Mr. William Davis (1) President & CEO	Niagra Mohawk 300 Erie Blvd W Syracuse, NY 13202 (315) 428-3511	Leader in researching the use of short rotation woody crops as a feedstock and currently has a 135 acre willow plantation under cultivation.
Will attend	Mr. Tom Mitchell President & CEO	Genencor International, Inc. 4 Cambridge Place 1870 South Winton Place Rochester, NY 14618-3916 (716) 256-5200	World's largest company dedicated exclusively to industrial biotechnology.
Await RSVP	Lanny Jass CEO	Phoenix Biocomposites Inc. PO Box 609 Mankato, MN 56002 (507) 344-5508	AARC success story. They make and sell a construction material (heavy construction and used in kitchen cabinetry and other furniture) made from soybeans and recycle newspaper.

Will attend	Dr. Bruce E. Dale Chair	Dept of Chemical Engineering Michigan State University A 202 Engineering Bldg East Lansing, MI 48824 (517) 353 6777	Chair, National Research Council study on biobased products. Researching biomass technologies, particularly pretreatment for most of career.
Will attend	Ms. Carol Werner Executive Director	Environmental and Energy Study Institute 122 C Street, N.W., Suite 700 Washington, DC 20001 (202) 628 1400	A non-profit organization dedicated to promoting environmentally sustainable societies.

Alternates

Not Avail.	Mr. A. William Dahlberg President & CEO	Southern Company 270 Peachtree Street NW Atlanta, GA 30303 (404) 506 5000	Of their total generating capacity, co steam represents 70 percent, nuclear hydro 9 percent, and combustion turb
	Mr. A. D. Pete Correll CEO (Alt to Champion)	Georgia-Pacific Corporation 133 Peachtree St., N.E. P.O. Box 105605 Atlanta, GA 30348-5605 (404) 652-5250	maintaining and sustaining more tha acres of company-owned forest lands States and Canada
	Mr. Arnold R. Klann CEO (Alt. for Gatto)	Arkenol 27401 Los Altos, Suite 400 Mission Viejo, CA 92691 (949) 588-3767	focus is the construction and operatio biorefineries on a worldwide basis to variety of biobased chemicals and tra fuels.

BIOENERGY EVENT MTG wed 8/11/99 10:00am

Julie	Dick Bradshaw	Don Becker
Ron Minsk	John	Valerie
David C	Peter	Chip
Henry		Wanda
Jeff	Ian	
	Bill White	Paul

I. Time Change

- A. Potus arriving 1:45
- B. Leaves 2:50
- C. Do Roundtable first
- D. Look at movie

II. Exhibits

- A. All DOE exhibits in/out
- B. U of Md Ethanol Car
 - 1. Detroit ES Sues
 - 2. No new
- C. Corn farmers
 - 1. Family is here

Our message: Thanks to us, your engine
will run on crap

2B cont

- 2. No new message for just ethanol-run car
- 3. Put burl of hay ~~there~~ corn stalks
burl of wheat
- 4. try to get machines that take crap
& turn engine

III. Questions from Secs to panel - give to panel ahead of time
A. ~~Ethanol g's from USAF~~
B. These are 1 medal g's

IV. Tough g's
A. I have ethanol one

V. Logistics

A. Doors open 12:15, audience there ^{by} 1:15

B. Audience there 12:30

C. Participants there early

1. 10:30 arrive & briefing w/ Secs

2. Hang out in Lincoln Room

3. Get them lunch

D. Lugar not need to be there for briefing

E. PT ~~full~~ Secs

F. POTUS Secs announce

G. POTUS ~~to~~ Click ~~to~~ Rich ~~to~~ ~~Speaker~~ ~~to~~ Lugar

H. If Click makes ~~and~~ ~~to~~ ~~remains~~
so does

I. Mansour intro POTUS

II.

VI. Panel

A. Need utility

B. Mansour introducer

III. C. G's from Secs to all panel members?

1. David G take responsibility to ~~have~~ make answers
Short

IV. Audience:

A. Special Designation

VIII. Press

- A. ~~Not~~ suggesting EPA Not attend, but A
can't go, or
- B. RSB, Reicher, USDA ~~congrue~~

IV. Conf. Call?

V. Vet handouts? (Linda)

Opening Statement - John

PRESIDENTIAL EVENT ON BIO-ENERGY & BIO-PRODUCTS
GROWING CLEAN ENERGY & INDUSTRIES
FOR STRONGER COMMUNITIES AND A BETTER ENVIRONMENT

What: Next week, President Clinton will announce new federal efforts to accelerate the development of 21st century bio-based industries that use trees, crops and agricultural waste to make fuels, chemicals, and electricity. These efforts will create new economic opportunities for rural America and help fight global warming. The President's announcement will be followed by a roundtable discussion among CEOs of bioenergy and bioproduct companies, Congressional leaders, scientists, and farm and environmental leaders. The event will be open to the press. Participants will also tour an exhibit featuring advances in bioenergy and bioproducts.

When & Where: 12 Noon, Thursday, August 12, 1999; place TBD.

Why: Advances in farm, forestry, and other biological sciences are fueling a revolution in the use of biomass (trees, crops and agricultural wastes) to produce both energy and commercial products.

- These new technologies offer *the opportunity create \$20-30 billion in new income for farmers and rural communities*. The market for bioenergy can be expanded from the current 3% to 10% of all US energy by 2010. New sources of income can also be generated for chemical manufacturers able to use new understanding of biological processes to produce chemicals, glues, paints, and many other materials more efficiently and with vastly reduced pollution. Since the cost of transporting the raw materials is high, most of the value-added work will need to occur in rural communities.
- Using biomass as a substitute for conventional fossil fuels would *yield enormous benefits for the environment – particularly reducing greenhouse gases*. The greenhouse gas carbon-dioxide is produced when a bioproduct is burned but this emission is exactly equal to the carbon-dioxide captured by growing the plant used to make the bioproduct. The net emission of the entire production-consumption process for bioproducts and bioenergy is exactly zero. Moreover, in many cases the deep-rooted plants used for biomass are helpful in controlling erosion, filtering chemicals from water runoff, and slowing floodwaters.
- Expanded use of ethanol and other fuels would also *enhance energy security*.

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(POTUS)

BIOENERGY EVENT LIST

Henry Kelly

hkelly@ostp.eop.gov

Beth Viola

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Pieter Boelhouwer

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John Gibson

~~John Gibson~~

↳

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Dick BRADSHAW

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Marge Cavanaugh

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White House Executive Order Announcement and Event
Agency announcements

Michigan Biotechnology Institute International - \$3M is to be awarded. MBI is partnering with Heartland Grains Fuels in South Dakota and the Energy and Environmental Research Center (EERC) to further development of biomass conversion technologies for fuels and chemicals.

Sensitivity: This project was initiated by a line item in the FY1999 Energy and Water Budget – initiated by Senator Daschle.

BC International Corporation - \$1.4M is to be awarded in August to further support the engineering scale up and final design of the pretreatment reactor at the Jennings, LA facility. This facility represents a first-of-a-kind biomass ethanol facility.

Sensitivity: BC International is included in the draft roundtable list.

Black Liquor Gasification Awards - \$1.75M was awarded to Georgia Pacific Corporation to support the development of this new forest product industry technology. The new process harnesses reusable chemicals and generates electricity from pulp and paper mill waste products.

Sensitivity: This announcement was made in June, 1999 through a DOE News Brief.

Plant/Crop Based Renewable Resources and Forest Products Awards – 15 awards, totaling over \$6.6M are to be made based on recent DOE solicitations. The projects are cost shared with industry and cover a host of technology development projects.

List:

Altus Biologics Inc.	Cambridge MA	\$320,000
Cargill Dow Polymers Inc.	Minnetonka, MN	\$1.3M
National Corn Growers Association	St. Louis, MO	\$884,000
Pendleton Flour Mill Inc.	Pendleton, OR	\$499,000
Terresolve Technologies Ltd.	Eastlake, OH	\$312,000
University of California-Davis	Davis, CA	\$1.5M
Institute for Paper Science and Technology	Atlanta, GA	\$390,000
Texas A&M University	College Station, TX	\$297,000
Georgia Tech University	Atlanta, GA	\$248,000
Lawrence Livermore National Laboratory	Livermore, CA	\$1.010M

Oak Ridge National Laboratory	Oak Ridge, TN	\$900,000
Sandia National Laboratory	Albuquerque, NM	\$500,000
National Renewable Energy Laboratory	Golden, CO	\$492,000
University of Washington	Seattle, WA	\$172,500
Sandia National Laboratory	Albuquerque, NM	\$600,000

Sensitivity: None

Closed Loop Biomass Co-Firing and Co-firing Biomass with Lignite Solicitations -

Total to be awarded \$2.5M for cost-shared projects that demonstrate the viability of co-firing biomass with lignite coal for power production, and that develop and validate co-firing technology using the closed loop feedstock supply.

Sensitivity: None

ROUTING SLIP

DATE: 7/23/99

FROM: Stephanie Streett
Assistant to the President and Director of Presidential Scheduling

SUBJECT: *Participate with VP in White House roundtable and media event on "bio-energy"*

Lisa Berg	___	Minyon Moore	___
Samuel Berger	___	Bob Nash	___
Sidney Blumenthal	___	Jennifer Palmieri	___
Mary Beth Cahill	___	John Podesta	✓
Davis/Emrich	✓	Clark Ray	___
Maria Echaveste	___	Steve Ricchetti	___
George Frampton	✓	Bruce Reed	___
Nancy Hernreich	___	Dan Rosenthal	___
Mickey Ibarra	___	Charles Ruff	___
Ron Klain	___	Sched Correspondence	✓
Neal Lane	___	Patti Solis-Doyle	___
Sara Latham	✓	Doug Sosnik	✓
Ann Lewis	___	Gene Sperling	___
Mark Lindsay	___	Larry Stein	___
Bruce Lindsey	___	Todd Stern	___
Joe Lockhart	✓	Karen Tramontano	✓
Capricia Marshall	___	Loretta Ucelli	✓
Sean Maloney	___	Melanne Verveer	___
Thurgood Marshall Jr.	___	Michael Waldman	✓
		<i>Roger Ballentine</i>	✓
		<i>Angie Mizeur</i>	✓
		<i>Joel Johnson</i>	✓

FILE: Accept

COMMENTS: 8/12 (T)

SCHEDULING PROPOSAL

DATE: July 2, 1999

99 JUL 1

Accept

Regret

Pending

TO:

Stephanie Streett
Assistant to the President and Director of Scheduling

FROM:

Roger Ballentine
Deputy Assistant to the President for Environmental Initiatives
George Frampton
Assistant to the President and Acting Chair, Council on
Environmental Quality

REQUEST:

To participate with the Vice president in a White House roundtable and media event on "bio-energy", climate change, and the future of agriculture, including an announcement of an Executive Order and other possible deliverables.

BACKGROUND:

Both the President and the Vice President have repeatedly stressed their commitment to a strong and vibrant agricultural sector. Both have also repeatedly argued that we can fight global warming with solutions that are good for the environment and for the economy. Looking ahead to the 21st Century, there is no more promising area for both fighting climate change and providing opportunity for our farm sector than bio-based energy and other bio-products. Many experts believe that fuels derived from biomass will be to the 21st Century what petroleum was to the 20th Century. Studies have predicted increases in farm income attributable to bio-energy and bio-products over the next ten years of \$5 - \$20 *billion* dollars. An event highlighting this future and announcing the Administration's renewed commitment to making it happen presents a positive 21st Century message for farmers, those concerned about the environment, and the high-tech community. The message would also help defend the Administration against attacks that its climate change policies will cost American jobs.

DATE AND TIME:

TBD

DURATION:

TBD

LOCATION: White House

PARTICIPANTS: TBD (Anticipated: VPOTUS; Glickman; Richardson; Bi-partisan Congressional; Industry, Labor CEOs.)

OUTLINE OF EVENTS: TBD (Possible closed press roundtable with industry and experts, followed by media event)

REMARKS: Yes

MEDIA COVERAGE: Yes (Roundtable could be closed)

RECOMMENDED BY: Roger Ballentine 66493
George Frampton 65147

CONTACT: Angie Mizeur 66493

Cc: Lisa Berg

THE WHITE HOUSE
WASHINGTON
Room 115
Old Executive Office Building

OFFICE OF ENVIRONMENTAL INITIATIVES
FACSIMILE COVER SHEET

TO: Kay Shoa F

FROM: ROGER BALLENTINE

DEPUTY ASSISTANT TO THE PRESIDENT FOR
ENVIRONMENTAL INITIATIVES

DATE: 8/9/99

NUMBER: (404) 230-1674

NUMBER OF PAGES (Including Cover Sheet): 2

SENDER: ANGIE MIZEUR

Special Assistant

SENDER'S PHONE: 202-456-1782
SENDER'S FAX: 202-456-1736

REMARKS:

per our phone conversation

THE WHITE HOUSE
WASHINGTON
Room 115
Old Executive Office Building

OFFICE OF ENVIRONMENTAL INITIATIVES
FACSIMILE COVER SHEET

TO: Mr. Warren Staley

FROM: ROGER BALLENTINE

DEPUTY ASSISTANT TO THE PRESIDENT FOR
ENVIRONMENTAL INITIATIVES

DATE: 8/9/99

NUMBER: (612) 742-6022

NUMBER OF PAGES (Including Cover Sheet): 2

SENDER: ANGIE MIZEUR

Special Assistant

SENDER'S PHONE: 202-456-1782
SENDER'S FAX: 202-456-1736

REMARKS:

per our phone conversation

THE WHITE HOUSE
WASHINGTON
Room 115
Old Executive Office Building

OFFICE OF ENVIRONMENTAL INITIATIVES
FACSIMILE COVER SHEET

TO: Mr. Stephen Gatto

FROM: ROGER BALLENTINE

DEPUTY ASSISTANT TO THE PRESIDENT FOR
ENVIRONMENTAL INITIATIVES

DATE: 8/9/99

NUMBER: 781-2161-2626

NUMBER OF PAGES (Including Cover Sheet): ____

SENDER: ANGIE MIZEUR

Special Assistant

SENDER'S PHONE: 202-456-1782
SENDER'S FAX: 202-456-1736

REMARKS:

THE WHITE HOUSE
WASHINGTON
Room 115
Old Executive Office Building

OFFICE OF ENVIRONMENTAL INITIATIVES
FACSIMILE COVER SHEET

TO: Mr. Chad Holliday

FROM: ROGER BALLENTINE

DEPUTY ASSISTANT TO THE PRESIDENT FOR
ENVIRONMENTAL INITIATIVES

DATE: 8/10/99

NUMBER: (302) 773-3857

NUMBER OF PAGES (Including Cover Sheet): 2

SENDER: ANGIE MIZEUR

Special Assistant

SENDER'S PHONE: 202-456-1782
SENDER'S FAX: 202-456-1736

REMARKS:

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Conference Call

~~white~~ based table w/ soy based cover
looks like marble

(NSC)

NRC Scientists

Chip Payson 6-25-12

Title?

Clean Energy

Need Deliverables by tom → Henry

Mon afternoon mtg
- bring at 4

4:00 PM

Elliot - POTUS Demos

Pres

- briefing day of
- advance

Script

BIOENERGY CALL

135 WH

145

Ag greet by Glick, Browner, Richard

if appropriate - see stuff on Apron
(pool press - pre positioned)

Pres will hold 145 - 245

Dole → Manour → POTUS remarks & depart

CLYDE VISUAL?

- student vehicle?

- bus

- hummer

AG

only hope for picture is big thing
w/ engine

Should do greet inside door - want a
cheers shot of explainer & POTUS
need name for press

goes to vehicle w/ someone

Ann Lewis

- little machine like car - cut down size to POTUS
- large thing - more people

if POTUS stalls, so will pool

2 announcements

- Luger, Glickman, Rich, Brown
- then program

no ropeline

Providing Power from Pool

CSPAN - airing

Pre-brief in Lockhart's office

BIOENERGY EVENT Mtg

Mon Aug 9, 9 PM

Revised

I. Procedure

- A. POTUS arrives & Secs greet
- B. Escorted to holding room ~~via~~ exhibit hall
 1. vehicles?
 2. exhibits of products
- C. To holding room to meet w/ roundtable (shake & "Hi")
& podium in center
- D. Talk → Real → POTUS remarks
- E. UG signing at event
- F. Richardson & Glickman begin RT
- G. Go A - about 2 / Sec
 1. Lugar wants g's

II. Roundtable updates

A. Yes

1. Mansour
2. Yonst (Michael)
3. S. Gatto
4. Tom Mitchell
5. Dr. Bruce Dale - NRC (Study Director)
6. Carol Werner
7. Corn person

III. Site of event

A. Ripley conference

1. Comp. to USDA
2. Microbe display there
3. Sandwiched between USDA & DOE
4. Julie & Clyde will let us know

IV. Paper

A. Deliverables

B. Now, Soon, & Future Framework

1. DOE only
2. Not meant to be a handout
3. USDA or others have comments → Efficacy

C. Press Q's & A's (internal)

1. Hil Kaul
2. O₂ is a g
3. include tough ones

D. Release for Press - John

E. Genetics Q & A - USDA

V. Roger playing Devil's Advocate

A. Corn

1. Grow to use for C₂H₄
2. why not ↓ corn & ↑ thus screw over farmers
3. This fits w/ ethanol debate - we subsidizing too much
 - a. existing ethanol vs. ethanol for cellulose

-Linda
10. She will complete This is good
for the company etc...

B. Louisiana Plant

1. History
2. \$100 mil Prudential / Ameri capture it
3. Why is this not corporate welfare?
 - a. It is "first of its kind" facility
4. other places/companies
 - a. NY - Masaba - uses organic stuff
to convert to CO₂

could we get 5 diff 1st-of-a-kind
projects

get # of carbons

C. Talk about oil use

D. Lower VP

1. Part of economic opportunity gap, space
2. Not part of Evers
3. In the future, do Parker / VP ever

4. need ~~State's~~ Iowa validator -

~~VI Meeting~~

VI. Invites

- A. Have 300 possible Public Liaison.
- B. If need be, have ~~two~~ ^{four} here

VII Press Papers

A. ~~by Tuesday~~ wed 10:00

B. Press Briefing 10:30am wed - to be

Glickman, Richardson, RSB, Don Sakuma (?)

~~VIII~~ Exhibit People

A. ~~on~~ on ~~everything~~ by COB tonight

B. Photo is nice

8/3/99

Biorefinery event mtg
I Silverdale

Peter - Frankford / Frankford QA A

Keep in mind of event in Midwest

- Genetec Timeline

- ~ we need a copy of
- ~ we have tons of engineered stuff
- ~ Note: every engineer technology has
probs

Need to emphasize DOE, USDA, Economic & Envir.
together

IPQ

A. What are we talking about? (R's g)

1. here's what we do today
2. what we could do today
3. bright shiny future

B. How much is taking current waste & turning
into something good

1. This is not competition I can take on for
2. Too much cost to take corn stalk &
break down & we have engineers
hurry to break & certain C-C bonds
3. It is financial risk, candidate for
gov't RND

4. Farmers can sell their crop

Future:
B. Select plants for max. useable C-C
(oil, cellulose)
transition: dedicated energy crop
- better way to be efficient & take less
(long term)

Recher: work a bio refinery such that produces
g and f of many

Biorefineries in Iowa, IL, CA

Recher: 3 part bioenergy list

B. By 2010 - Nat'l Goal for bioenergy 100%

1. working w/ industry for long term

2. current 20-30%

3. Henry will put together:

a. what the 100% is

b. why

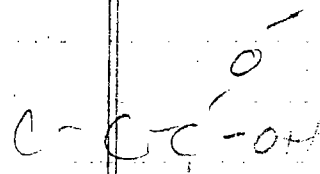
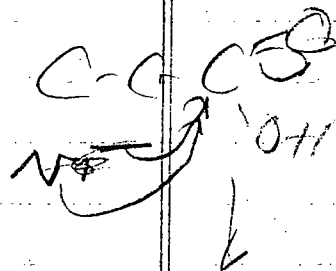
c. how

C. List of bioproducts for Fed'l use
1. Linda will do a 1st

D. NRC report released 10:00am today

1. Academy not going to push it b/c it is not a
good report

2. Henry & Dick Bradshaw get together
to analyze the report - strengths,
weaknesses



D. Julie summarize challenge in Congress?
RNDQ Tax Credit

6 a

E. Econ. Analysis of Biomass

1. USDA Study

2. Linda Williams 1 page

b

Eg State by State Analysis

1. Nat'l Farm

2. Same Study & related

F. Agency Program Announcements (Iowa)

1. Defensible deliverable, what it is,
why it good, some w/tes

CCC

- 2 bushels corn, 1 Acre

Does report quantify benefits (is the
effects of the 1092)

II Inquiries

A Joint Glickman/Richardson invites to
chair of committee

III. Round Table

- A. List to start w/
- B. Need EPA folk? Triple base
- C. Jeff running this
- D. ~~with~~
 - a. Cabinet Sec
 - b. Carol Browner?
 - c. Lujan & maybe 1
 - d. CEO type (2-3)
 - e. Farmer type
 - f. Enviro
 - g. Scientist
 - h. Forest type
- E. Observers
 - 1. Labor

Moderator

Tom Owen

9:30

Thurs Mary

Senel Tamper

Event Action Items

Action	Who
Determine release date of NRC report	Gardiner
Coordinate with Lugar staff	Ballentine
Residence/WW arrangements	Kalil/Ballentine
USDA announcements (where is the bioproducts list announcement?)	Delgado
DoE announcements	Reicher
Establish goal for biomass sales	Kelly working with USDA and DoE
Economic analysis (national and state by state)	USDA/DoE/Kelly
Identify an individual to make presentation with POTUS (a "real person doing real things" with bioproducts/bioenergy.	All
Potential participants in the POTUS roundtable	All (email to kelly.kirkpatrick@ostp.eop.gov)
Potential invite list for event audience (including hill participants)	All (email to kelly.kirkpatrick@ostp.eop.gov)
Identify director of the Coordination office (possibly key staff from each agency) and develop prototype of website	Reicher/Delgado
Identify potential display materials for event (images: farm activities, high-tech)	Reicher/Delgado
Develop presentation materials for press briefing (possibly also used during POTUS roundtable)	Reicher
Documents needed as handouts	
Administration Accomplishments (including budgets)	
Goals and potential income effects in rural areas	draft for review by ALL
Summary of what the EO achieves (and other deliverables)	Kelly for first draft

facsimile transmittal

Aug 3 Copy



CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW

1367 Connecticut Avenue NW
Suite 300
Washington, DC 20036-1860

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<http://www.econet.apc.org/ciel/>

To: Roger BELLENTINEFrom: DAVID GOLDBERGOrganization: THE WHITE HOUSE

Date:

Fax number: 456 6468

No. of Pages (including this one):

Re:

CIEL Account No.:

☒ Urgent☐ For Review☐ Please Comment☐ Please Reply☐ Please Recycle

Notes:



CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW

June 22, 1999

Mr. Roger Ballentine
Deputy Assistant to the President
For Environmental Initiatives
The White House
Rm. 107/EW
1600 Pennsylvania Ave., NW
Washington, DC 20502

Transmitted by Facsimile

Dear Mr. Ballentine:

Attached please find a letter from a number of environmental organizations that was transmitted last month to Todd Stern and Frank Loy. The letter expresses our concern about the U.S. position that has been emerging in recent months on "sinks" in the Kyoto Protocol.

Since the letter was sent, representatives of the following organizations have expressed their desire to be considered co-signers:

Tia Nelson
The Nature Conservancy

Carol Werner
Environmental and Energy Study Institute

Randall White
Georgia ForestWatch

Rene Voss
Earth Island Institute

Laurie Wayburn
The Pacific Forest Trust

Joan Reiss
California Wilderness Coalition

Jym St. Pierre
RESTORE: The North Woods

I look forward to discussing these issues with you in tomorrow's meeting.

Sincerely,

Donald Goldberg
Senior Attorney

American Council for an Energy-Efficient Economy • Center for
International Environmental Law • Environmental Defense Fund •
Greenpeace • National Environmental Trust • National Wildlife
Federation • Natural Resources Defense Council • Ozone Action
• Seattle Audubon Society • Sierra Club • U.S. PIRG • Union of
Concerned Scientists • Woods Hole Research Center • World
Wildlife Fund

June 22, 1999

Todd D. Stern
Assistant to the President
for Special Projects
Special Projects Office
The White House
Room G/WW
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Frank E. Loy
Under Secretary
Global Affairs
Department of State
Room 7250
2201 C Street, NW
Washington, D.C. 20520

Dear Messrs. Stern and Loy:

Within the past several months the Administration has made known some of its views on land use, land use change, and forestry (LUCF) under the Kyoto Protocol. We are writing, first, to request that the Administration clarify its position with regard to certain critical issues, and second, if our present understanding of the Administration's position is correct, to express our concerns about that position.

It is clear from the U.S. submissions to the climate secretariat, as well as presentations and statements in recent briefings and workshops, that the Administration favors a "comprehensive" approach to LUCF under the Protocol. It appears that the Administration seeks to enable Parties to take credit for much, if not all, of the

sequestration attributable to biotic sinks that can be scientifically verified, regardless of whether this sequestration exceeds levels projected under "business-as-usual." Presumably, the United States would seek credit for this sequestration during the first commitment period, by considering forest, agriculture and range management to be additional activities under Article 3.4 of the Protocol.

If this correctly characterizes the Administration's views on Article 3.4, we are deeply troubled. According to the most recent available U.S. government study, such an approach could give the United States 192 million tons of carbon equivalent credit each year during the first commitment period for "business-as-usual" activities, not including agricultural soils and rangeland.¹ This is equivalent to a 13% increase in the U.S. assigned amount during the first commitment period, or approximately a 40% reduction of the level of effort relative to reference case projections that would be required for the United States to meet its Kyoto target. Put another way, it is tantamount to converting the U.S. target from a 7% reduction to a 5% increase from 1990 levels. Such a result would be a substantially weaker commitment than President Clinton originally proposed prior to the Kyoto Conference.

In Kyoto parlance, the U.S. approach, as we understand it, amounts to a full "gross/net" accounting of sinks. The compromise adopted in Kyoto, however, was a *limited* gross/net approach. As evidence that the Administration understood and accepted the Kyoto bargain, we note that it announced immediately afterward that the sinks language in the Protocol would account for 3% of the U.S. target—not the 13% change that could result from a full gross/net approach.

In deciding which new activities should be adopted under Article 3.4, care must be taken to preserve the level of effort agreed for the first commitment period by each of the Annex I Parties. Allowing Parties to receive substantial additional credit for "business-as-usual" activities would undermine the Protocol and put the climate at greater risk.

If we have misstated the U.S. position on LUCF, or the impact it would have on the level of effort required of the United States during the first commitment period, we request clarification. If, on the other hand, our characterization of the U.S. position and its implications for the first commitment period is correct, we request that the position be revised to take account of our concerns.

Respectfully,

¹ Joyce, L.A. (ed.), *Productivity of America's Forests and Climate Change*, USDA Forest Service, General Technical Report RM-271. September 1995.

Howard Geller
American Council for an Energy-
Efficient Economy

Donald Goldberg
Center for International Environmental
Law

Annie Petsonk
Environmental Defense Fund

Gary Cook
Greenpeace

James Lyon
National Wildlife Federation

Daniel Lashof
Natural Resources Defense Council

Kert Davies
Ozone Action

Stephanie Matheny
Seattle Audubon Society

Ann Mesnikoff
Sierra Club

Katherine Silverthorne
U.S. PIRG

Emily Smith
National Environmental Trust

Peter Frumhoff and Darren Goetze
Union of Concerned Scientists

Kilaparti Ramakrishna
Woods Hole Research Center

Jennifer Morgan
World Wildlife Fund

cc: David Sandalow, CEQ
David Gardiner, EPA
Margo Anderson, USDA
Interagency "Sinks" Group

THE WHITE HOUSE

WASHINGTON

May 26, 2000

I am pleased to extend best wishes to the distinguished biomass energy researchers, scientists, economists, and policymakers who have gathered in Seville, Spain, for the first World Conference on Biomass for Energy and Industry.

As we move into the 21st century, the world faces a number of key challenges related to the production and use of fossil energy. Recent scientific advances promise to accelerate the development of biobased energy, chemicals, and materials as an alternative.

I have been interested for many years in the opportunities that biomass presents. I believe that the development of biomass energy and products is one of the most important activities we can undertake to grow the global economy while also protecting our shared environment, and your leadership is crucial to moving these products from the laboratory to the marketplace. For the United States, I have set a goal to triple our use of biobased products and bioenergy by 2010.

This prestigious worldwide assembly can help advance our collective capabilities to promote biomass energy and products. I am confident that your efforts will be an important first step in building a strong global commitment to bioenergy.

Best wishes for a productive conference.

A handwritten signature in black ink, reading "Bill Clinton". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

THE WHITE HOUSE

WASHINGTON

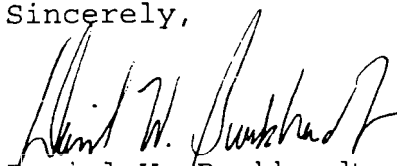
Dear Friend:

Thank you for requesting a message from the President. I am happy to send you the enclosed.

Please be aware that the White House has long-standing guidelines governing the use of Presidential messages. The enclosed message may be used only at the time for which it was requested and for the specific purpose for which it was sought. Under no circumstance is the message to be altered, reprinted in other media (including the Internet), used for recruiting, reproduced for fundraising solicitations or annual reports, represented as an endorsement, used for advertising, or used for any other purpose without the written consent of the White House.

Thank you for your cooperation in adhering to these guidelines.

Sincerely,

A handwritten signature in dark ink, appearing to read "Daniel W. Burkhardt". The signature is fluid and cursive, with a large, stylized initial "D".

Daniel W. Burkhardt
Deputy Assistant to the President
Director of Correspondence and
Presidential Messages

Enclosure

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 13, 2000

PRESIDENT CLINTON'S FY 2001 BUDGET ACCELERATES THE
DEVELOPMENT AND USE OF BIO-BASED TECHNOLOGIES

January 13, 2000

Bioenergy

President Clinton's FY 2001 Budget includes a new initiative to accelerate the development and use of bio-based technologies, which convert crops, trees, and other "biomass" into a vast array of fuels and products. This initiative supports the President's August 1999 Executive Order 13134 and Memorandum on Promoting Biobased Products and Bioenergy, aimed at tripling U.S. use of biobased products and bioenergy by 2010. The initiative provides an increase of more than \$240 million over the amounts available for FY 2000, with \$49 million directed towards the Department of Energy (DOE) and \$194 million for stepped-up efforts at the Department of Agriculture (USDA). This initiative will increase the viability of alternative energy sources, help meet environmental challenges like global warming, support farm incomes, and diversify and strengthen the rural economy.

The DOE goal for this initiative is making biomass a viable competitor to fossil fuels as an energy source and chemical feedstock. Its efforts will be concentrated on developing "biorefineries" -- integrated systems for processing feedstocks simultaneously into a variety of products such as fuels, chemicals, and electricity. This will require increased collaboration among DOE, USDA, NSF, and other agencies, and will support research partnerships linking industry, university, and government research facilities selected on a competitive basis. The work will build on fermentation, gasification, and other biomass-related activities currently funded by the Energy Department.

Key areas of increased DOE activity will include:

- Development of inexpensive cellulase systems to break down cellulose into low-cost sugars for the production of bio-based chemicals and bioenergy. This will allow woody and grassy crops and agricultural waste such as corn stalks to take the place of high-value grain and food crops as biofuel feedstocks.

- Renewable Bioproducts, using multi-disciplinary and university/industry partnerships to develop and accelerate adoption of possible "leap-frog" technologies for converting crops, trees and residues into chemical feedstocks and consumer products.

- Biopower, promoting both the integration of biomass gasification systems with modern gas-turbine/steam-turbine generation systems, and the co-firing of biomass with coal at levels ranging from 5-15% biomass by heat value.

USDA's goals for the initiative are increasing the economic viability for farmers and foresters to grow biomass products, developing new uses for biobased materials, and providing incentives to use bioenergy. Key areas of increased USDA activity will include:

- The Commodity Credit Corporation providing up to \$100 million in FY 2000 and up to \$150 million in FY 2001 and 2002 in incentive payments to ethanol and other bioenergy producers to expand production of biobased fuels. Payments would be made on a portion of the increase in

agricultural commodities purchased for expanded bioenergy production, with smaller and cooperatively-owned facilities receiving higher payment rates.

-- Expanded Forest Service research on faster-growing trees and the use of small-diameter trees for commercial, biobased products.

-- The Natural Resources Conservation Service funding methane gas recovery pilots to reduce greenhouse gas emissions from livestock operations, providing a clean energy source to the producer, and providing assistance to farmers that want to produce or market biobased products.

-- Expanded Agricultural Research Service research (in association with DOE) to develop biobased materials from commodities and bioproducts, and convert biomass to energy.

-- The Cooperative State Research Education and Extension Service providing additional competitive resources for research partnerships involving universities. This will complement the new Initiative for Future Agriculture and Food Systems announced by the Secretary of Agriculture on January 10th.

-- Rural Development grants to rural electric cooperatives to develop pilot projects to demonstrate the commercial viability of small-scale biomass fuel generation, grants for technical assistance to cooperatives for processing and marketing biobased products, and loans for facilities and operating capital for organizations engaged in biobased production activities.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 21, 2000

PRESIDENT CLINTON ANNOUNCES NEARLY A \$3 BILLION INCREASE
IN TWENTY-FIRST CENTURY RESEARCH FUND
January 21, 2000

Today, in a speech at California Institute of Technology, President Clinton announced that he will include a \$2.8 billion increase in the "Twenty-First Century Research Fund" in his FY2001 budget, including a \$1 billion increase in biomedical research at the National Institutes of Health and double the largest dollar increase for the National Science Foundation in its 50 year history. These investments will ensure that science and technology will continue to fuel economic growth and allow Americans to lead longer, healthier lives. These investments also will enable America to continue to lead in the 21st century by increasing support in all scientific and engineering disciplines, including biomedical research, nanotechnology, information technology, clean energy, and university-based research. Specifically, this infusion of funds will enable researchers to tackle important scientific and technological challenges, and will lead to:

American prosperity in the 21st Century: With rapid growth, increased productivity and rising standards of living, the U.S. economy is thriving, in large part because of our technological leadership. Science and technology have become the engine of America's economic growth: information technology alone accounts for 1/3 of U.S. economic growth, and is creating jobs that pay almost 80 percent more than the average private-sector wage. Many of the technologies (such as the Internet) that are fueling today's economy are the result of government investments in the 1960's and 1970's.

Longer, healthier lives for all Americans: In the last 100 years, the life expectancy of the average American has increased by almost 30 years, as a result of breakthroughs such as antibiotics. Today, we are on the verge of even greater scientific advances, and continued investment in health-related research could lead to greater life expectancies and better quality of life.

Educating America's high-tech workforce: The President's investment in university-based research will help spur innovations in new technologies and treatment, while preparing the next generation of leaders in science, engineering and technology.

Cleaner energy for a cleaner environment: Research can help America create cleaner sources of energy and energy-efficient technologies, such as fuel cells that emit only water, cars that get 80 miles per gallon, and bioenergy derived from new cash crops.

New insights into the world around us: Increases in funding for science-based research can lead to amazing breakthroughs in our understanding of the world around us and beyond.

Specific Initiatives

1. \$1 billion increase in biomedical research at the National Institutes of Health. This funding level will support research in areas such as diabetes, brain disorders, cancer, genetic medicine, disease prevention strategies, and development of an AIDS vaccine.

2. A new \$497 million National Nanotechnology Initiative.

Nanotechnology - the ability to manipulate individual atoms and molecules - could revolutionize the 21st century in the same way that the transistor and the Internet led to the Information Age. Increased investments in nanotechnology could lead to breakthroughs such as molecular computers that can store the contents of the Library of Congress in a device the size of a sugar cube, and new materials ten times stronger than steel and a fraction of the weight.

3. A \$675 million increase in the National Science Foundation -- double the largest dollar increase in NSF's history. This increase will boost university-based research and ensure balanced support for all science and engineering disciplines. NSF accounts for half of all non-health university-based research.

4. A more-than \$600 million increase in information technology research. This increase in information technology research could lead to advances such as high-speed wireless networks that can bring distance learning and telemedicine to isolated rural areas; and supercomputers that can more accurately predict tornadoes and hurricanes, and more rapidly develop life-saving drugs.

5. An increase in investment in bio-based technologies. This increase will help promote bioenergy and biobased products that will generate billions of dollars in new income for farmers, produce new high technology jobs, and protect the environment.

###

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 27, 2000

President Clinton Announces Bioenergy & Bioproducts Tax Incentives
January 27, 2000

President Clinton's FY 2001 Budget includes \$976 million in tax incentives over 5 years and \$2.1 billion over ten years to accelerate the development and use of bio-based technologies, which convert crops, trees, and other "biomass" into a vast array of fuels and products. These tax credits support the President's August 1999 Executive Order 13134 and Memorandum on Promoting Biobased Products and Bioenergy, aimed at tripling U.S. use of biobased products and bioenergy by 2010. This initiative will increase the viability of alternative energy sources, help meet environmental challenges like global warming, support farm incomes, and diversify and strengthen the rural economy.

Cleaner Energy, Cleaner Environment. Bioenergy and bioproducts can dramatically reduce greenhouse gas emissions that contribute to global warming. Since crops absorb carbon during growth, their use for energy and other applications results in near zero net carbon release. Tripling our use of bioenergy and bioproducts by 2010 will reduce annual greenhouse gas emissions by up to 100 million tons -- the equivalent of taking over 70 million cars off the road.

New Economic Opportunities for a New Century. The goal of these tax incentives is to take advantage of advances in farm, forestry, and other biological sciences that are making biomass a viable competitor to fossil fuels as an energy source. These advances are fueling a revolution in the use of biomass to make low polluting electricity by burning willows and switchgrass along with coal in existing plants and by converting paper industry by-products into fuel gases. By creating high-tech jobs and new economic opportunities, meeting the President's goal of tripling U.S. use of bioenergy and bioproducts could add \$15 billion to \$20 billion in new income for farmers and many rural communities.

Tax credits for electricity produced from biomass. This package of credits would:

- Extend current "closed-loop" biomass credit. This proposal, which includes plants and trees specifically grown for use as biomass, extends for 2.5 years the current 1.5 cent per kilowatt hour tax credit (adjusted for inflation after 1992), which covers facilities placed in service before January 1, 2002.

- Provide credits for "open loop" biomass facilities. This proposal expands the definition of biomass eligible for the 1.5 cent tax credit to include certain forest-related resources and agricultural and other sources for facilities placed in service from 2001 through 2005, and provides a 1.0 cent credit for electricity produced from 2001 through 2003 from facilities placed in service prior to July 1, 1999.

- Provide a credit for cofiring biomass and coal. This proposal adds a 0.5 cent per kilowatt hour tax credit for electricity produced by cofiring biomass in coal plants from 2001 through 2005.

- Provide credit for methane from landfills. This proposal adds a 1.5 cent per kilowatt hour credit for electricity produced from landfills not subject to EPA's 1996 New Source Performance Standards/Emissions Guidelines (NSPS/EG) and 1.0 cent per kilowatt hour for landfills subject to NSPS/EG. Qualified facilities would be facilities placed in

service after December 31, 2000 and before January 1, 2006.

###

Kelly Kirkpatrick

02/16/2000 04:01:35 PM

Record Type: Record

To: Angela C. Mizeur/WHO/EOP@EOP
cc: Henry C. Kelly/OSTP/EOP@EOP
Subject: Biobased Products and Bioenergy Monthly Newsletter

Deb

Angie -

Could you please fax this to Debbie to give her some background on the bioenergy initiative in preparation for her 2/18 meeting at 11 am in OWOB 423 with Henry Kelly, Sam Baldwin and OSTP's Congressional liaison, Tony Gibson. Thanks!

----- Forwarded by Kelly Kirkpatrick/OSTP/EOP on 02/16/2000 03:59 PM -----



"Ryan, Jennifer Bergman" <jbergman@energeticsinc.com>
02/15/2000 05:39:24 PM

Record Type: Record

To: Henry C. Kelly/OSTP/EOP, Kelly Kirkpatrick/OSTP/EOP, Samuel F. Baldwin/OSTP/EOP
cc:
Subject: Biobased Products and Bioenergy Monthly Newsletter

Biobased Products and Bioenergy Monthly Newsletter
February 2000

This is the first issue of a new publication sponsored by the National Biobased Products and Bioenergy Coordination Office. If you have any questions or comments about this monthly update, please contact Richard Moorer, DOE's Director of the National Biobased Products and Bioenergy Coordination Office, at richard.moorer@ee.doe.gov or Ron Buckhalt, USDA's Director of the National Biobased Products and Bioenergy Coordination Office, at rbb@ars.usda.gov. If you would like to receive this newsletter on a monthly basis, please send Jennifer Ryan, Energetics, Incorporated, an e-mail at jryan@energeticsinc.com and you will be added to the distribution list.

For more information, please visit our website at
<http://www.bioproducts-bioenergy.gov>
We are in the process of populating this site with new information.

Message from Dan Reicher, Assistant Secretary, Energy Efficiency and

Renewable Energy, U.S. Department of Energy:

Welcome to the Coordination Office's first issue of the Biobased Products and Bioenergy Monthly Newsletter. We plan to use this newsletter as a way to help keep you abreast of all the activities surrounding the Biobased Products and Bioenergy Initiative. As you may know, a lot has happened over the past year to help move this Initiative forward. We've seen the signing of Executive Order 13134, the introduction of several biomass-related bills on Capitol Hill, and we've made great strides on our vision and roadmap process. Our budget was increased in FY 2000 and the President has asked for a further increase in FY 2001. The Department is currently moving ahead to implement the activities called for in the Executive Order and we have issued several solicitations targeted at this area. The President has put together a tax package to spur the growth in biobased products and bioenergy. We also have a number of new publications, and we plan to keep you apprised of the current activities.

We are at the forefront of a revolutionary change in biotechnology that will lead to more efficient use of the world's resources, enabling a sustainable energy future. As we move into the 21st century, a number of key issues challenge our nation's rural economy, energy security, and environment. Recent scientific advances in bioenergy and biobased products have created enormous potential to develop new economic opportunities for rural America, enhance U.S. energy security by diversifying energy options, and help manage pollutant emissions that can harm the environment. We hope you find this newsletter useful and we thank you for your continued interest in this exciting area. If you have any further questions on bioenergy-related activities, please contact Richard Moorer.

Message from Dr. Miley Gonzalez, Under Secretary Research, Education, and Economics, U.S. Department of Agriculture:

I would like to echo the comments of my friend Dan Reicher. This initiative is indeed revolutionary. Our efforts to increase the production and use of new biobased industrial products and bioenergy will begin to move our economy from one based on geology (petroleum and other fossil sources) to a renewable, sustainable economy founded on biology (plants and animals). This is not a new thrust for USDA. Indeed, our USDA labs have over 100 years experience in developing new products and we have the linkages to the Land Grant colleges and universities to leverage research, education, and outreach. USDA also has a strong and active network in rural communities to transfer new technologies. Since agricultural feedstocks are bulky and expensive to transport, new technologies to create value-added products will be commercialized near the "farm gate," thus stimulating rural economies. I might add that in 1995 Agriculture Secretary Dan Glickman created a USDA-wide working group, the Biobased Products Coordination Council (BPCC), to identify and incorporate the various biobased and bioenergy activities to provide a unified approach. I chair that working group.

Perhaps Agriculture Secretary Glickman, commenting January 13, 2000, on the President's bioenergy/biobased proposals, said it best: "During these difficult times in American agriculture, farmers need all the new market opportunities they can get. This kind of diversification will not only help protect our environment, it will also strengthen the farm and rural economy."

We look forward to continuing to work with our colleagues at DOE and the other Federal agencies as we accelerate the development, demonstration, and commercialization of new biobased products and fuels." The articles below highlight current biobased products and bioenergy activities in the Federal government. In future newsletters, USDA will share details some of the new initiatives currently underway. In the meantime, should you have any questions about USDA's biobased and bioenergy initiatives, please contact Ron Buckhalt as indicated in the first paragraph of this newsletter.

Executive Order

On August 12, 1999, President Clinton signed Executive Order 13134, "Developing and Promoting Biobased Products and Bioenergy." The Order will guide coordination of Federal efforts to accelerate the development of 21st century biobased industries that use trees, crops, agricultural, forest, and aquatic resources to make an array of commercial products including fuels, electricity, chemicals, adhesives, lubricants, and building materials. In an accompanying Executive Memorandum, the President set a goal of tripling U.S. use of biobased products and bioenergy by 2010. Reaching this goal would generate billions of dollars of new income for farmers, create employment opportunities in rural communities, and reduce greenhouse gas emissions by as much as 100 million tons per year - the equivalent of taking more than 70 million cars off the road.

The President's Executive Order establishes a permanent Interagency Council on Biobased Products and Bioenergy consisting of the Secretaries of Agriculture, Commerce, Energy, and the Interior, the Administrator of the Environmental Protection Agency, the Director of the Office of Management and Budget, the Assistant to the President for Science and Technology, the Director of the National Science Foundation, and the Federal Environmental Executive to develop a detailed strategic plan that will be presented annually to the President. The Council had its first meeting on January 21, 2000, which was co-chaired by Dr. Miley Gonzalez, Under Secretary of Research, Education, and Economics, U.S. Department of Agriculture (USDA) and Dan Reicher, Assistant Secretary of Energy Efficiency and Renewable Energy. The meeting was attended by representatives from all of the above agencies and it was a good first step. Subsequent interagency coordination activities have developed as a result of the meeting and a second Council meeting will be held within the next two months.

In order to assist the Council in its efforts, an outside advisory group will be formed that will be comprised of 20 representatives from biobased industries, farm and forestry sectors, universities, and environmental groups. The Department of Energy was tasked by the Executive Order to develop the list of members for this Biobased Products and Bioenergy Advisory Committee, in consultation with other agencies. DOE is in the process of finalizing the membership for this Committee and plans to hold the first meeting in April.

The Order also directs DOE and USDA to establish a National Biobased Products and Bioenergy Coordination Office to manage the preparation of interagency budgets and ensure effective day-to-day coordination of actions designed to implement strategic plans and guidance provided by the Council and respond to recommendations made by the Advisory Committee. This office

is currently being established and will be staffed by a team of employees from several different agencies.

The Order also calls for DOE and USDA to create internal working groups that will provide strategic planning and policy advice to the decision-makers within each agency. Each agency has established its own working group and the two groups have met several times and will continue to work together with other Federal agencies to discuss implementation strategies for the actions called for in the Executive Order.

As a result of the Executive Order, existing biobased products and bioenergy research, development, and demonstration (RD&D) programs of DOE, USDA, and other agencies will be better coordinated to achieve common goals. With leadership from the White House, DOE is working to expand the scope of existing RD&D and speed the development of high-tech feedstocks, conversion technologies, and biobased industrial products to help reach the tripling goal that was outlined by the President. It is the Department's aim to focus the resources and objectives of relevant portions of these agencies on developing the research base, organizational mechanisms, and resources need to make substantial advances in bioenergy. Such a strategy will involve integrated teams of researchers and engineers from the public, private, national laboratory, and university sectors. It will also require interaction among public policy makers, business and financial investment managers, farmers and foresters, and trade and commodity brokers, as well as the research community. Effective integration is a necessity if the vision of a bioenergy-based economy is to become a reality.

Vision and Roadmap Process

The vision and roadmap process for biobased products and bioenergy is moving forward with the formation of an industry-led Bioenergy Industry Vision group, which has met three times over the past 11 months. This group is composed primarily of senior industry and grower leaders, along with senior Federal and national laboratory officials, and environmental and consumer leaders. Its goal is to develop and adopt a common vision of what the industry could be in the future and what it will take to get there. This effort will build on the strong foundations laid earlier by growers and manufacturers in their strategic vision and technology roadmap for biobased chemicals, "Plant/Crop-based Renewable Resources 2020," by the forest products industry in its "Agenda 2020," by the chemical industry in its "Technology Vision 2020," and by the industrial power generators in their "Combined Heat and Power" strategic vision. A final draft of the Bioenergy Vision has been developed and is currently being distributed to a broad stakeholder group for review. Following extensive industry dialogue and eventual adoption of the Vision by the industry as a whole, industry-led groups will work to draft "road maps" to define the pathways industry and government need to follow to make the vision occur.

Budget Update

In FY 2000, Congress has appropriated \$6 million to directly support DOE's Bioenergy Initiative, in addition to the DOE core budget of approximately \$119 million that supports ongoing programs in basic science, biopower, biofuels, biochemicals, and forest products. In the FY 2001 budget,

President Clinton and Vice President Gore propose to further these advances by almost doubling the funding for research that focuses on biobased products and bioenergy. This enhanced budget request would increase the agencies' combined budget from \$297 million in FY 2000 to a combined request of \$442 million in FY 2001. This includes a \$49 million increase for U.S. DOE and a \$96 million increase for USDA. This will increase the viability of alternative energy sources, help meet environmental challenges like global warming, support farm incomes, and diversify and strengthen the rural economy.

Congressional Activity

To date, the Administration's activity has been complemented by activity on Capitol Hill that has resulted in the introduction of several bills in Congress. Senator Richard Lugar (R-IN) introduced the National Sustainable Fuels and Chemicals Act of 1999, which is a research and development bill designed to encourage closer coordination and integration among Federal agencies and national labs, universities, private sector companies, and environmental organizations for the purpose of accelerating R&D efforts targeted at overcoming technical barriers to low-cost biomass conversion. Companion biomass bills were introduced by Representative Ewing (R-IL) and Representative Udall (D-CO). House and Senate hearings have been held on these legislative initiatives. The support this issue has received from the White House and from both sides of the aisle in Congress shows the level of importance of investing in the development of biobased products and bioenergy industries today. The potential to develop a robust bioenergy industry is great and the time is right for the Federal government to invest in partnerships with these industries that will help the country prosper in the next century.

Leaders of the Biobased Products and Bioenergy Initiative

Richard Moorer, Associate Deputy Assistant Secretary for Transportation Technologies, is leading the implementation phase of this Initiative at DOE and is taking on the dual role of the DOE Director of the Bioenergy Coordination Office and the Vice Chair of the DOE Working Group (Dan Reicher serves as Chair) in order to strengthen the long-term approach and work into the DOE administrative structure. Bob Harris is the Bioenergy Coordinator and is devoting himself full-time to handling the many inquiries on the Initiative and helping to communicate the program goals to our stakeholders. The DOE Working Group members include: Ray Costello, Power; Greg Dilworth, Basic Science; Doug Faulkner, Biobased Products; Phil Goldberg, Fossil Energy; Valerie Reed, Transportation Fuels; and Valri Robinson, Forestry and Paper Products.

Ron Buckhalt, Senior Marketing Specialist, USDA Agriculture Research Service, Office of Technology Transfer, serves as USDA's Coordinator on the Initiative. Dr. Miley Gonzalez chairs USDA's Biobased Products Coordination Council (BPCC), which serves as the principle USDA working group. Dr. Roger Conway, Director of the Office of Energy Policy and New Uses is Vice Chair of the BPCC and Richard Holcombe, Procurement Analysis, Office of Procurement Property, and Emergency Preparedness, is the Working Chair. A complete list of the USDA members of the BPCC, and their addresses, phone numbers, and e-mail addresses can be found on the website.

DOE Solicitation

DOE issued a \$4.3 million solicitation in support of bioenergy industry development. Projects for this solicitation may be selected under two phases. The first phase would place the proposed technology in a laboratory-scale demonstration and the second phase would make prototype-scale hardware for the technology and include a design for a pilot-scale facility. The fundamental goal for this solicitation is to perform research and development that results in integrated co-products that address at least two of the following three major areas: chemicals, fuel, and power. Responses for the solicitation are due by March 7, 2000, and between two and four awards are anticipated in each of the two phases. Each participant must incur a twenty percent minimum cost share with DOE. Copies of the solicitation may be obtained at:
<http://www.eren.doe.gov/golden/solicitations.html>

President Clinton's Tax Package

On January 27, 2000, President Clinton announced a series of tax incentives to spur the growth of bioenergy and bioproducts. The President's FY 2001 budget includes tax incentives of \$976 million over five years and \$2.1 billion over ten years. The credits support Executive Order 13134 and specifically would:

- * extend the current 1.5 cent per kWh biomass tax credit for another 2.5 years for facilities placed in service before January 1, 2002.

- * expand the definition of biomass that is eligible for the 1.5 cent tax credit to certain agricultural and forest-related resources for those facilities placed in service between 2001 and 2005.

Additionally, between 2001 and 2003, a one cent credit would be given to electricity produced by facilities in service before July 1, 1999. A credit would be provided for cofiring biomass and coal from 2001 until 2005. A 1.5 cent per kWh would be credited towards electricity produced using methane from landfills not subject to the 1996 Environmental Protection Agency New Source Performance Standards/Emissions Guidelines. A one cent credit would go towards the same type of methane at facilities placed in service after December 31, 2000, and before January 1, 2006. The full White House Press Release may be obtained at:

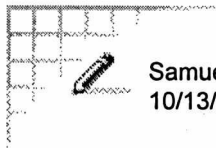
<http://www.whitehouse.gov/WH/New/html/20000127.html>

New Publications

A new DOE report was recently released entitled Emission and Reduction of Greenhouse Gases from Agriculture and Food Manufacturing. The report states that agriculture and forest products producing and using biobased products could help substantially in reducing greenhouse gases by the year 2010. Energy Secretary Bill Richardson said, "The findings of this report will help support the President's effort to build a larger bioenergy industry in this country. By giving us real statistics and outlining concrete solutions, this report will help foster bioenergy-related activities that can promote new energy resources, reduce greenhouse gas emissions and help ensure economic growth for the nation's farmers." This report is the first comprehensive analysis of the impact of U.S. agriculture and forestry in the production and mitigation of greenhouse gases. The report finds the greatest impact of agricultural emissions is from nitrous oxide and methane. The

total U.S. agricultural and forestry emissions represents ten percent of all greenhouse gases in the United States. The report supports accelerating the development of biobased products to reduce greenhouse gases, increase economic opportunities for rural America, decrease dependence on foreign oil, and expand the sustainable use of energy in a variety of industries. The report may be obtained by calling 800-862-2086, or can be viewed on-line at <http://www.oit.doe.gov/agriculture>.

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(202)479-2748 ext. 108
Fax (202)479-0229



Samuel F. Baldwin
10/13/2000 10:35:20 AM

Bioenergy

Record Type: Record

To: Angela C. Mizeur/WHO/EOP@EOP
cc:
bcc:
Subject: Re: One more thing... 

Yes, under the PL-106-224, that was signed a month or so ago, titles were changed. I have not double-checked them, but presumed that DOE got them correctly. The new titles under PL 106-224 are: Biomass Research and Development Board which supercedes the Interagency Council on Biobased products and bioenergy under the EO; Biomass Research and Development Technical Advisory Committee which supercedes the Advisory Committee on Biobased products and Bioenergy under the EO; etc.

Are there others?

Sam

Angela C. Mizeur



Angela C. Mizeur

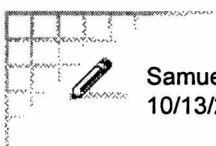
10/13/2000 10:30:13 AM

Record Type: Record

To: Samuel F. Baldwin/OSTP/EOP@EOP
cc:
bcc:
Subject: One more thing... 

I've noticed that the Exec Summary (see 1st para under ACCOMPLISHMENTS) refers to a "Biomass Research and Development Board" but in the actual EO it is referred to as the "Interagency Council on Biobased Products and Bioenergy." Notice half way into the para, there is reference to "the Council" Did something change such that the name should change? I'll change it all to Council unless otherwise advised.

Samuel F. Baldwin



Samuel F. Baldwin
10/13/2000 08:32:22 AM

Record Type: Record



Executive Summary

October 12, 2000

13

red quotes!
Italy?
OK
again, 15m
10/20

In the past year, significant progress has been made toward accomplishing President Clinton's goal in Executive Order 13134, Developing and Promoting Biobased Products and Bioenergy, to "triple the use of bioenergy and biobased products in the United States by 2010." Federal efforts to meet this goal were further advanced with the June enactment of the Bioenergy Research and Development Act of 2000. Through the formation of the Biomass Research and Development Board and the National Biobased Products and Bioenergy Coordination Office, the government machinery is now in place to allow government agencies to combine their expertise, their technologies and their support toward the achievement of this important goal. Leading biomass experts from industry and universities have been brought together to lay out the steps to be taken to achieve this goal and to provide advice to direct government efforts. Finally, several industry-government collaborations have been established to accelerate the technology development critical to meeting the President's goal. These accomplishments will help the nation address the environmental, economic, and national security concerns associated with the use of fossil fuels.

The Biobased Products and Bioenergy Initiative

In the first decade of the 20th century, William Merriam Burton, a chemist for Standard Oil, developed the technology that pulled more energy out of the petroleum molecule. His vision launched the modern petrochemical industry and helped pave the way for the prosperity we enjoy today.

Now, at the beginning of the 21st century, we may be nearing a similar breakthrough—one that allows us to use the resources of this nation's farmers and foresters to fuel our future. In August 1999, President Clinton signed an Executive Order 13134, Developing and Promoting Biobased Products and Bioenergy. This Executive Order outlines the President's vision to utilize biomass, our most abundant and renewable natural resource, to grow our economy, enhance national security, and protect the environment.

again, 15m
10/20

President Clinton's vision called for development of the Biobased Products and Bioenergy Initiative, a coordinated effort between government and industry. An integrated biobased products and bioenergy industry will displace petroleum with traditional commodity crops, agricultural waste, forest residues and aquatic resources to make an array of commercial products including fuels, electricity, chemicals, adhesives, lubricants and building materials. The goal of this Initiative is to triple our use of bioenergy and bioproducts by 2010. Success in reaching this goal could generate as much as \$20 billion a year in new income for American farmers and rural communities, while reducing annual greenhouse gas emissions by up to 100 million tons a year--the equivalent of taking 70 million cars off the road.

emissions of greenhouse gases, many of which were left undecided. These details are due to be thrashed out at the next set of talks on the Protocol, which take place in The Hague in the Netherlands in November.

The Hague conference is an important milestone on the path to the ratification of the Kyoto Protocol. So far, it has been signed by 83 governments and the European Community, but it has only been ratified by 23 countries, none of which are industrialised countries subject to emissions reduction targets.

The agenda for the Hague talks includes many contentious issues. These include the creation of rules that take into account the carbon stored in forest sinks, the rules that govern "emissions trading" - which allow companies to buy and sell surplus emission reduction credits - and the rules for the "clean development mechanism", which allow companies to take credit for emission reduction schemes in developing countries.

Other issues include the concerns of developing countries - including the oil producing countries - that are particularly vulnerable to climate change or to the economic impact of emission reduction measures by developed countries.

The negotiators must also establish accounting methods of monitoring national emissions and their reduction - and a compliance regime for monitoring the implementation of the Protocol.

The success of the talks will, to a large extent, depend on whether the US - which accounts for 36.1 per cent of the world's carbon dioxide emissions - and the EU - which accounts for 24.2

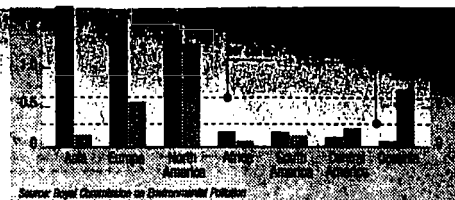
several issues, including the extent to which forest sinks and emissions trading can be used to meet countries' emissions reduction targets.

The controversy surrounding forest sinks moved into the foreground earlier this year when the US declared that the carbon dioxide absorbed by its forests and agricultural lands could account for as much as half of its target under the Kyoto Protocol, which is a 7 per cent cut from 1990 levels by 2008-12. This sets it at odds with the EU, which is concerned about the scientific and environmental uncertainties surrounding the absorption of carbon by trees and land over the long term.

Although the US is prepared to make some concessions on the contribution made by sinks to its 2010 target, it is adamant that its treatment of sinks is legitimate under the Protocol.

The US is also standing firm on its position on emissions trading, by refusing to countenance any constraints on its use. The EU, by contrast, believes that unfettered use of emissions trading will stop industrialised countries from taking action domestically on curbing emissions.

There is also disagreement on the criteria for projects eligible under the Clean Development Mechanism (CDM). Several countries within the EU would like to see strict rules determining whether CDM projects are "additional" to those that would have happened anyway, together with a substantial levy on projects to aid developing countries threatened by climate change. Opponents argue that this will reduce the CDM's flexibility and deter the corporate sector from engaging in CDM projects.



But in spite of the disagreements, optimists point to some encouraging strands in the debate on the Protocol. The US has long stressed that involvement by developing countries is vital, if it is to have any hope of winning political support in Congress for the Protocol.

The international business community has also softened its opposition to action on climate change. When business leaders met at the World Economic Forum in Davos in January, they voted global climate change as the world's most pressing business problem. Yet, some climate change experts are despondent about the prospects for the Kyoto Protocol. At the root of the problem is the difficulty that nearly all countries face in meeting their emissions targets through domestic action.

A recent study of several European countries by the Pew Center, a US charitable trust, concluded that only the UK and, possibly, Germany, were on track. The US, which faces a target of a 25-30 per cent reduction from its business-as-usual forecasts, acknowledges that it will not meet its targets without extensive use of flexible mechanisms, such as emissions trading.

Many environmental pressure groups are concerned that these difficulties will prompt negotiators to create loopholes in the Protocol. They say that allowing unlimited use of emissions

trading, undemanding criteria for CDM projects and a liberal definition of carbon sinks may allow countries to meet their targets, while continuing to pump carbon dioxide freely into the atmosphere. If the Protocol evolves in this way, many environmental groups say they will reluctantly withdraw their support from it.

Another possibility - backed by Eileen Claussen, president of the Pew Center on climate change - is to renegotiate targets or time-tables. This, she says, would allow negotiators to correct the flaws in the Kyoto Protocol so that it can serve as a useful framework for future rounds of negotiations. But many negotiators would not countenance such a move, which would also be bitterly opposed by environmental groups.

Henry Jacoby, of the Massachusetts Institute of Technology, suggests another alternative: maintaining the Kyoto Protocol as a "useful façade". Even if the Protocol does not enter into force, negotiations could continue and countries take action on climate change in a manner that suits their local political conditions.

As negotiators prepare for the Hague conference, there is still optimism that a deal on the Kyoto Protocol can be hammered out. But some, at least, are starting to think about what could take its place if they fail.

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WORLD WATER by Andrew Taylor, Utilities Correspondent

Deals that are far from plain sailing

International contract opportunities are increasing worldwide but they can be very complicated and full of pitfalls

"Water is the commodity of the 21st century," Rebecca Mark liked to tell interviewers as she extolled the private sector profit opportunities of providing one of life's essential ingredients.

Capturing a share of this potentially vast market, however, has proved more difficult than expected and last month cost the former chief executive and chairman of Azurix her job.

renegotiate separate concessions to run water services in Jakarta, the Indonesian capital.

The contracts, originally won in 1997, were undermined by the currency crisis which swept south-east Asia in the mid-1990s.

Vivendi, the other large French water services company, launched a \$300m damages claim against the Argentine province of Tucumán.

of people without clean water and waste water services.

Governments unable to finance this huge investment must encourage the private sector - which provides less than 5 per cent of urban water to consumers in developing countries - to fill the gap, says the commission.

British companies such as Thames Water, Severn-Trent and Anglian, have been

Vivendi and Suez Lyonnaise des Eaux, which have become powerful multinationals, have been able to build up large domestic water businesses with large advance sheets to support the assault on world water markets.

The French have opted for a rather than outright privatisation style, privatising the water supply but not the distribution network.

Private companies have proved more successful in other parts of the world, such as in the US, where they have been able to build up large water businesses with large advance sheets to support the assault on world water markets.

↑ *McC?*
One year after the issuance of the Executive Order, we have made significant progress toward accomplishing this goal ~~and are~~ helping to turn the President's vision into a reality.

ACCOMPLISHMENTS

Interagency Council on Biobased Products & Bioenergy
In carrying out Executive Order 13134:

OL A Biomass Research and Development Board was formed with co-chairs from the Departments of Energy and Agriculture. The Board also has representatives from the Department of Interior, the Environmental Protection Agency, the National Science Foundation, the Office of Science and Technology Policy, and other Federal agencies. The ~~Council~~ *Board* has met quarterly over the past year to create a Government Strategic Plan, which will accelerate the creation and early adoption of technologies needed to make biobased products and bioenergy cost-competitive. The Strategic Plan, which is currently in draft form, will guide and coordinate the efforts of the various Government agencies, who before the Executive Order, were working independently. The plan recommends:

- specific goals for technology development over the next ten years;
- appropriate policies such as tax code modifications, increased R&D funding, and new State and Federal legislation; and
- key actions to develop markets, such as creating a Federal Procurement protocol for biobased products and bioenergy.

A National *Council* Coordination Office for Biobased Products and Bioenergy was also formed to serve as the executive secretariat for the ~~Board~~ *Council*. This office is staffed with personnel from the DOE and USDA, and has enhanced communications among the agencies involved. Within the DOE and USDA, working groups have been successfully coordinating agency efforts in support of the Initiative, resulting in the award of several critical competitive contracts and the formation of key industry partnerships. A Federal Advisory Committee with members from industry, academia and other organizations is also being formed.

In addition to improved Government coordination, industry involvement is a key factor in reaching the goal of the Executive Order. Several top U.S. industry sectors recognize the commitment of the Administration and have become actively involved, including the forest products and chemical industries, fuel and power producers, and agribusiness. The resources and commercial expertise of these industry sectors are essential to achieving the goals of this Initiative.

with
These industries, represented by 34 companies and supported by DOE and USDA, undertook an extensive process beginning in the development of a vision for an integrated bioenergy industry. The vision incorporates the President's goals through the year 2010.

This vision was carried forward to a broad cross-section of the agricultural, chemical, forestry, life sciences, and energy communities to develop a detailed technical, market, and policy roadmap. When the roadmap is complete, government and industry will be able to jointly fund R&D and advance policies that will help to develop biomass markets.

any protocol here?
The bipartisan political support recently given to bioenergy and biobased products underscores the value of our work in this area and the importance of the progress we have made. Senators Richard Lugar (R-IN) and Tom Harkin (D-IA), both long-standing advocates of biobased

↓

Vital talks loom at The Hague

The next stage in the emissions ratification process will be held in the Netherlands in November. The going will be tough

It is nearing crunchtime for the Kyoto Protocol. When, in 1997, ministers from all around the world drew up an agreement to cut emissions of greenhouse gases, many important details were left undecided.

Those details are due to be thrashed out at the next set of talks on the Protocol, which take place in The Hague in the Netherlands in November.

The Hague conference is an important milestone on the path to the ratification of the Kyoto Protocol. So far, it has been signed by 83 governments and the European Community, but it has only been ratified by 23 countries, none of which are industrialised countries subject to emissions reduction targets.

The agenda for the Hague talks includes many contentious issues. These include the creation of rules that take into account the carbon stored in forest sinks, the rules that govern "emissions trading" - which allow companies to buy and sell surplus emission reduction credits - and the rules for the "clean development mechanism", which allow companies to take credit for emission reduction schemes in developing countries.

Other issues include the concerns of developing countries - including the oil producing countries - that are particularly vulnerable to climate change or to the economic impact of emission reduction measures by developed countries.

The negotiators must also establish accounting methods of monitoring national emissions and their reduction and a compliance regime for monitoring the implementation of the Protocol.

The next set of talks will be held in Bonn, Germany, in December. The Kyoto Protocol is a landmark agreement that sets out a framework for reducing greenhouse gas emissions. It is a legally binding treaty that requires developed countries to reduce their emissions by a certain percentage by the year 2012. The protocol also allows for the possibility of trading emissions between countries, which could help to reduce the overall cost of reducing emissions.

per cent of carbon dioxide emissions - can resolve their differences.

They are at loggerheads on several issues, including the extent to which forest sinks and emissions trading can be used to meet countries' emissions reduction targets.

The controversy surrounding forest sinks moved into the foreground earlier this year when the US declared that the carbon dioxide absorbed by its forests and agricultural lands could account for as much as half of its target under the Kyoto Protocol, which is a 7 per cent cut from 1990 levels by 2008-12. This sets it at odds with the EU, which is concerned about the scientific and environmental uncertainties surrounding the absorption of carbon by trees and land over the long term.

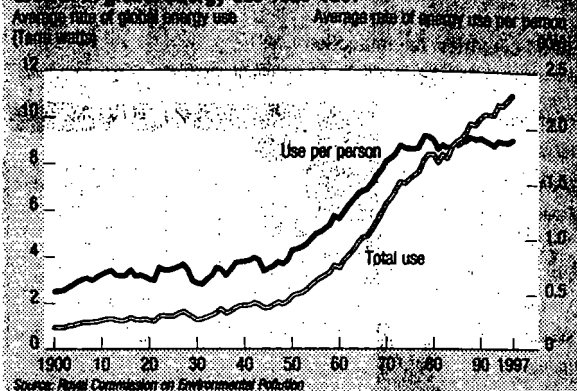
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There is also disagreement on the criteria for projects eligible under the Clean Development Mechanism (CDM). Several countries within the EU would like to see strict rules determining whether CDM projects are "additional" to those that would have happened anyway, together with a substantial levy on projects to aid developing countries threatened by climate change. Opponents argue that this will reduce the attractiveness of CDM projects.

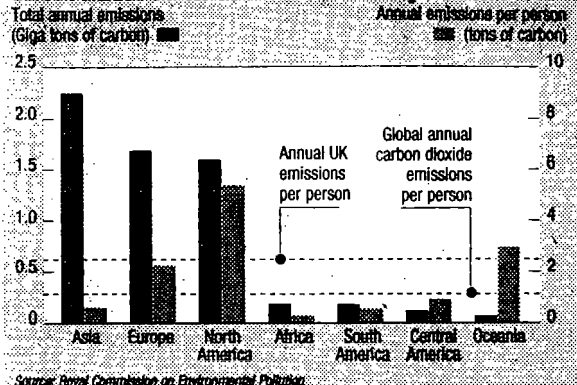
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Growth in global energy use 1990-1997



Source: Royal Commission on Environmental Pollution

Carbon dioxide emissions from fossil fuels by continent 1995



Source: Royal Commission on Environmental Pollution

But in spite of the disagreements, optimists point to some encouraging strands in the debate on the Protocol. The US has long stressed that involvement by developing countries is vital, if it is to have any hope of winning political support in Congress for the Protocol.

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Many environmental groups have been sceptical about the prospects for the Kyoto Protocol. They argue that the protocol is too weak to make a significant impact on climate change. They also point out that the protocol does not cover all major greenhouse gas sources, such as deforestation and land use changes.

trading, undemanding criteria for CDM projects and a liberal definition of carbon sinks may allow countries to meet their targets, while continuing to pump carbon dioxide freely into the atmosphere. If the Protocol evolves in this way, many environmental groups say they will reluctantly withdraw their support from it.

Another possibility - backed by Eileen Claussen, president of the Pew Center on climate change - is to renegotiate targets or time-tables. This, she says, would allow negotiators to correct the flaws in the Kyoto Protocol so that it can serve as a useful framework for future rounds of negotiations. But many negotiators would not countenance such a move, which would also be bitterly opposed by environmental groups.

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The negotiators prepare for the Kyoto conference, there is still optimism that a deal on the Kyoto protocol can be struck. The Kyoto Protocol is a landmark agreement that sets out a framework for reducing greenhouse gas emissions. It is a legally binding treaty that requires developed countries to reduce their emissions by a certain percentage by the year 2012. The protocol also allows for the possibility of trading emissions between countries, which could help to reduce the overall cost of reducing emissions.

products, along with Representatives Thomas Ewing (R-IL) and Mark Udall (D-CO) were instrumental in the passage of Title III of the Agricultural Risk Protection Act of 2000, signed by the President in June of 2000. Title III of this legislation, which the President signed in June, is the Biomass Research and Development Act of 2000. The goals of this Act are parallel to those of the Executive Order, formalizing the coordinated Federal efforts and the involvement of experts from the private sector, and authorizing \$49 million through the Department of Agriculture for R&D in the area of biobased industrial products. The Executive Order and the related legislation are an important legacy of this Administration and the 106th Congress.

In technology:

For many years both industry and government have been working to develop biomass technology to utilize biomass resources in a cost-effective manner. However, a number of technical barriers still exist. The Biobased Products and Bioenergy Initiative has brought Government and industry together under one umbrella and focused R&D on high priority areas that are necessary to achieve the President's goal. One specific example is the 10 million gallon per year demonstration of sugar cane bagasse to ethanol conversion by BC International Inc. This facility, to be built in Jennings, Louisiana, will be the first commercial biomass ethanol facility in the United States, paving the way for growth in the industry. Some of the other high priority areas supported in FY 2000 by Agriculture and Energy include:

- Improving harvesting, handling and storage alternatives for agricultural residues through targeted research with small business and universities;
- Lowering the cost of converting plant material into ethanol and fermentable sugars, in cooperation with Genencor, Inc, a leader in the enzyme industry;
- Researching new products, such as propylene glycol and ethylene glycol, that can be produced from the low cost sugars;
- Co-locating biomass ethanol facilities with existing corn ethanol facilities;
- Demonstrating biodiesel blends in government fleets and at National Parks;
- Supporting coal and biomass co-firing demonstrations in Indiana, Iowa, Tennessee, New York and Alabama;
- Supporting agriculture market research and demonstration projects;
- Demonstrating black liquor gasification in Virginia;

The cornerstone of the Initiative is research and development of the "biorefinery", a concept modeled after the petroleum industry. Biorefineries will use biomass from today's farms and forests to produce fuels, chemicals and power. Biorefineries will be deployed across rural America, providing new opportunities for many agricultural communities. In July 2000, a competitive solicitation attracted over 40 applications, from which four grants dedicated to development of the biorefinery were issued. The projects include:

- Separation of corn fiber and subsequent conversion to fuels and chemicals;
- Polylactic acid, ethanol and power production;
- Production of chemicals, fuels and power from hog manure;
- Use of bark-derived pyrolysis oils as a phenol substitute in structural panel adhesives.

These government industry partnerships have already resulted in success. An example of a successful commercial transfer of technology is the Cargill Dow Polymers' polylactic acid facility. The company has invested more than \$300 million, leveraged by modest government

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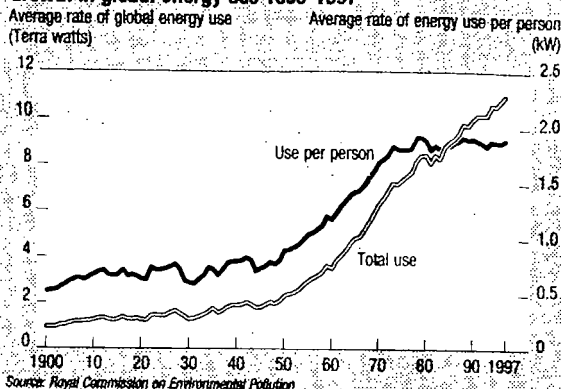
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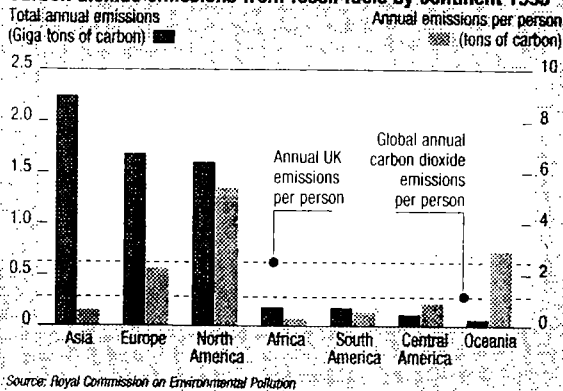
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Growth in global energy use 1990-1997



Source: Royal Commission on Environmental Pollution

Carbon dioxide emissions from fossil fuels by continent 1995



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funding, to build a new bio-plastic manufacturing plant in Blair, Nebraska. The new factory will produce more than 300 million pounds annually of corn-based plastic.

In market and policy development:

In addition to technical progress, meeting the goals of the Executive Order will require the development of supporting policies and markets. Examples of Federal policies that will affect the growth of the new industry include:

- Tax policy
 - The FY 2001 budget request proposes \$976 million in tax incentives over 5 years and \$2.1 million over ten years to accelerate the development and use of bio-based technologies, which convert crops, trees, and other "biomass" into a vast array of fuels and products. New tax credits would apply to biomass power plants that are supplied by agricultural and forestry wastes. The President has also proposed tax credits for landfill methane power plants and power plants that mix biomass with coal.
- Environmental policy
 - The EPA announced the phase out of the use of MTBE in gasoline because of the threat to public health and the environment. MTBE is used as an oxygen additive in reformulated gasoline (RFG) as required by the Clean Air Act. Ethanol is also used to meet RFG guidelines and studies are being completed to determine the extent to which ethanol can meet the demand created by a MTBE phase out.
 - Senator Tom Daschle (D-SD) has introduced bipartisan legislation to create a nationwide renewable fuels standard. The bill would eliminate the 10 year old requirement that gasoline in polluted urban areas contain a certain amount of oxygen in order to reduce carbon monoxide emissions. However, the bill would require that ethanol consumption remain at or above its current level of 1.3 percent of national gasoline supply. *and* *not ethanol?* *it would mandate increases in consumption over the next 10 years.*
 - The existing EPA Clean Air Act regulatory framework limits the deployment of clean biomass cofiring technologies. It requires the filing of a new source review (NSR) application, a time consuming and tedious process for a technology that will ultimately reduce the emissions. *[The biomass cofiring community is ready to work with the EPA to develop a smarter approach.]* *to biomass cofiring tech. under existing...*
- Agriculture policy
 - USDA is implementing Section 769 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Act of 1999, to provide new authority to use Conservation Reserve Program land for pilot biomass projects.
 - USDA has proposed a rule for use of Commodity Credit Corporation funds to boost production of ethanol and biodiesel during the next three fiscal years.
- Electric utility restructuring
 - The Administration's electric utility restructuring proposal to Congress includes a national Renewable Portfolio Standard (RPS) requiring electric suppliers to provide retail customers with minimum levels of electricity generated from "new" renewable

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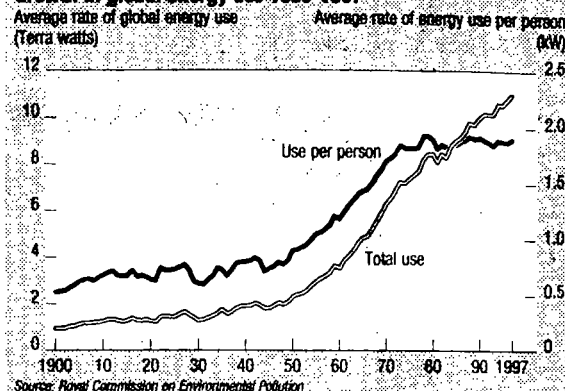
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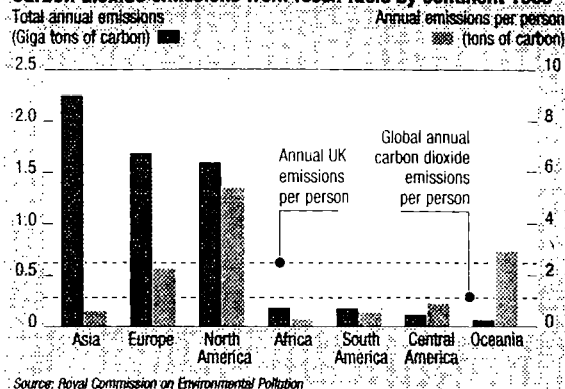
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energy sources including low-emission biomass. Leading the way in procuring renewable energy, Executive Order 13123, signed by the President, June 3, 1999 includes direction to federal agencies to increase their use of renewable energy. *on*

In order to successfully reach the goals of the Initiative, policies will remain an important part of the equation, and Congressional support, such as that illustrated by Senators Daschle and Lugar, is essential.

NEXT STEPS

Over the next year we will fully implement the Federal Government's biomass activities as articulated in the Strategic Plan and begin implementing the technical, market and policy plans as reflected in the industry vision and roadmap. The key to meeting President Clinton's goal of tripling biobased products and bioenergy use by 2010 lies in high-level, well-coordinated, adequately funded partnerships between industry and government.

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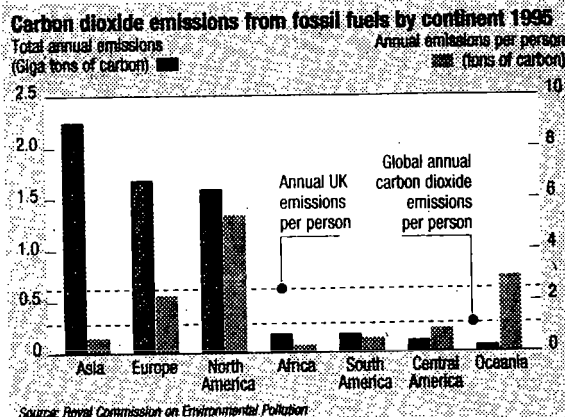
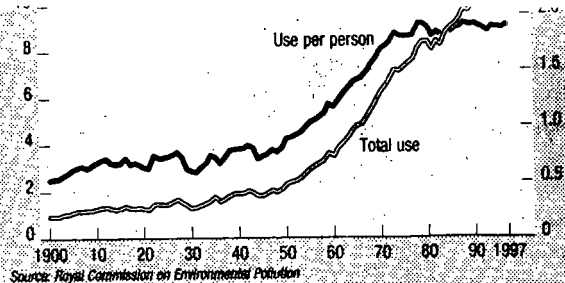
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The framework for models: bilateral, u

The Clean Development Mechanism (CDM), a vehicle designed to transfer "green" technology into the developing world, is one of the most widely-endorsed concepts the 1997 Kyoto Protocol.

The idea is that an industrialised country or a company can invest in energy efficient projects in developing world, gain credits that can be offset against its own emissions reduction targets.

For industrialised countries, it offers a less expensive method of meeting emissions reductions commitments agreed at Kyoto for developing countries promises to boost overseas investment and reduce pollution; for private companies it offers a chance to be exposed to the costs arising from the Kyoto Protocol.

If, as the World Bank estimates, the cost of reducing emissions in developing countries is between \$5-\$15 a ton of carbon - compared with at least \$50 a ton in advanced economies - there is ample scope for mutually-beneficial trade. Proposals for CDM projects have already been drawn up in anticipation of a launch to the mechanism which the Kyoto Protocol scheduled to begin this year.

But in spite of the support for the concept, CDM could turn out to be one of the most controversial issues under discussion at the next United Nations climate change conference in the course of this year, which takes place in The Hague in November. Negotiations will have to thrash out the detailed rules of the mechanism, which will work.

Much remains to be decided. The issues under discussion include: the framework under which deals will be agreed; the criteria used to determine "additionality" - whether the project would have gone ahead anyway.



thought need to make sure EO/Initiative is
clearly referring to something.
And if not I'm confused

Executive Summary

In the past year, significant progress has been made toward accomplishing President Clinton's goal in Executive Order 13134, Developing and Promoting Biobased Products and Bioenergy, to "triple the use of bioenergy and biobased products in the United States by 2010." Federal efforts to meet this goal were further advanced with the June enactment of the Bioenergy Research and Development Act of 2000. Through the formation of the Biomass Research and Development Board and the National Biobased Products and Bioenergy Coordination Office, the government machinery is now in place to allow government agencies to combine their expertise, their technologies and their support toward the achievement of this important goal. Leading biomass experts from industry and universities have been brought together to lay out the steps to be taken to achieve this goal and to provide advice to direct government efforts. Finally, several industry-government collaborations have been established to accelerate technology development critical to meeting the President's goal. These accomplishments will help the nation address the environmental, economic, and national security concerns associated with the use of fossil fuels.

← Accomplishments of The Biobased Products and Bioenergy Initiative

In the first decade of the 20th century, William Merriam Burton, a chemist for Standard Oil, developed the technology that pulled more energy out of the petroleum molecule. His vision launched the modern petrochemical industry and helped pave the way for the prosperity we enjoy today.

Now, at the beginning of the 21st century, we may be nearing a similar breakthrough—one that allows us to use the resources of this nation's farmers and foresters to fuel our future. Last August, President Clinton signed an Executive Order on Biobased Products and Bioenergy. In this Executive Order, the President outlined his vision to utilize biomass, our most abundant and renewable natural resource to grow our economy, enhance national security, and protect the environment.

President Clinton's vision called for development of the Biobased Products and Bioenergy Initiative, a coordinated effort between government and industry. An integrated biobased products and bioenergy industry will displace petroleum with traditional commodity crops, agricultural waste, forest residues and aquatic resources to make an array of commercial products including fuels, electricity, chemicals, adhesives, lubricants and building materials. The goal for this Initiative is to triple our use of bioenergy and bioproducts by 2010. Success in reaching this goal could generate as much as \$20 billion a year in new income for American farmers and rural communities, while reducing annual greenhouse gas emissions by up to 100 million tons a year—the equivalent of taking 70 million cars off the road.

One year after the issuance of the Executive Order, we have made significant progress toward accomplishing this goal and are helping to turn the President's vision into a reality.

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Developing & Promoting

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Crossword
Features
Food
Homestyle

Lakes plummet; problems grow

Levels near record lows; economic toll in millions



Dale G. Young / The Detroit News

A runabout is left high and dry in one of the many yacht basins with emerging sand bars as water levels continue to drop on the western arm of Grand Traverse Bay. Lake Michigan is expected to drop two inches in the next four weeks.

By Jeremy Pearce / The Detroit News

With boats aground and Michigan's beaches ever more exposed, Great Lakes waters have dropped markedly lower than last year and may soon fall still lower.

Boaters, shoreline property owners and commercial shippers now report conditions that many feared, but few prepared for: uncounted millions of dollars lost this year to emergency dredging in harbors, light loads of cargo and damages to recreational marinas.

The Lake Michigan resort town of Pentwater, for example, has spent \$40,000 dredging its recreational boat launch.

Commercial shipping is up only marginally -- even though an early spring made the season longer -- because ships aren't fully loaded. If they were, they'd risk scraping bottom.

"We're trying to keep a stiff upper lip," said Ed Bigelow, Pentwater village president. "Everybody's unhappy, everybody's frustrated, but we're learning we can't resolve nature's problems."

In the steepest decline since last October, Lake Superior retreated 7 inches and now hovers near record lows not seen since the 1920s. Lakes Michigan and Huron dropped 6



Dale G. Young / The Detroit News

This dock has had several additions and now has 30 sections that stretch to the water. Millions of dollars in damages are occurring at recreational marinas due to low water levels.

Lake level forecast

Over the next four weeks, experts expect lake levels to fall even further. All five

ACCOMPLISHMENTS

In carrying out the Executive Order:

A Biomass Research and Development Board was formed with co-chairs from the Departments of Energy and Agriculture. The Board also has representation from Interior, the Environmental Protection Agency, the National Science Foundation, the Office of Science and Technology Policy, and other Federal agencies. The Council has met quarterly over the past year to create a Government Strategic Plan, which will accelerate the creation and early adoption of technologies needed to make biobased products and bioenergy cost-competitive. The Strategic Plan, which is currently in draft form, will guide and coordinate the efforts of the various Government agencies, who before the Executive Order, were working independently. The plan recommends:

- goals for technology development over the next ten years;
- appropriate policies such as tax code modifications, increased R&D funding, and new State and Federal legislation; and
- key actions to develop markets, such as creating a Federal Procurement protocol for biobased products and bioenergy.

A National Coordination Office for Biobased Products and Bioenergy was also formed to serve as the executive secretariat for the Board. This office is staffed with personnel from the DOE and USDA. The Coordination Office has enhanced communications among the agencies involved. Within the DOE and USDA, working groups have been successfully coordinating agency efforts in support of the Initiative since August of 1999, resulting in the award of several critical competitive contracts and the formation of key industry partnerships. A Federal Advisory Committee with members from industry, academia and other organizations is also currently being formed.

In addition to improved Government coordination, industry involvement is a key factor in reaching the goal of the Executive Order. Several top U.S. industry sectors recognize the commitment of the Administration and have become actively involved, including the forest products and chemical industries, fuel and power producers, and agribusiness. The resources and commercial expertise of these industry sectors are essential to achieving the goals of this Initiative.

These industries, represented by 34 companies and supported by DOE and USDA, undertook an extensive process beginning in the development of a vision for an integrated bioenergy industry. The vision incorporates the President's goals through the year 2010.

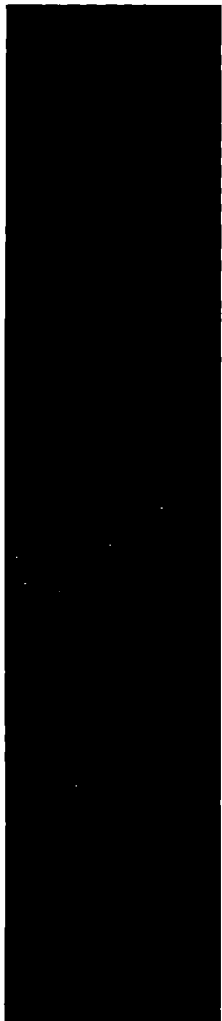
This vision was carried forward to a broad cross-section of the agricultural, chemical, forestry, life sciences, and energy communities to develop a detailed technical, market, and policy roadmap. When the roadmap is complete, government and industry will be able to jointly fund R&D and advance policies that will help to develop biomass markets.

The bipartisan political support recently received by bioenergy and biobased products underscores the value of our work in this area and the importance of the progress we have made. Senator Lugar (R-IN) and Senator Harkin (D-IA), both long-standing advocates of biobased products, along with Representatives Thomas Ewing (R-IL) and Mark Udall (D-CO) were instrumental in the passage of Title III of the Agricultural Risk Protection Act of 2000, Title III

Dick
(Richard)

(put in POTUS signed in June)
2
Tom

Signed by the
President in June 2000



of this legislation, which the President signed in June, is the Biomass Research and Development Act of 2000. The goals of this Act are parallel to those of the Executive Order, formalizing the coordinated Federal efforts and the involvement of experts from the private sector, and authorizing \$49 million through the Department of Agriculture for R&D in the area of biobased industrial products. The Executive Order and the related legislation are an important legacy of this Administration and the 106th Congress.

In technology: *advanced?*

For many years both industry and government have been working to develop biomass technology to utilize biomass resources in a cost-effective manner. However, a number of technical barriers still exist. The Biobased Products and Bioenergy Initiative has brought Government and industry together under one umbrella and focused R&D on high priority areas ~~that are~~ necessary to achieve the President's goal. One specific example is the 10 million gallon per year demonstration of sugar cane bagasse to ethanol conversion by BC International Inc. This facility, to be built in Jennings, Louisiana, will be the first commercial biomass ethanol facility in the United States, paving the way for growth in the industry. Some of the other high priority areas supported in FY 2000 by Agriculture and Energy include:

- Improving harvesting, handling and storage alternatives for agricultural residues through targeted research with small business and universities.
- Lowering the cost of converting plant material into ethanol and fermentable sugars, in cooperation with Genencor, Inc, a leader in the enzyme industry.
- Researching new products, such as propylene glycol and ethylene glycol, that can be produced from the low cost sugars.
- Co-locating biomass ethanol facilities with existing corn ethanol facilities.
- Demonstrating biodiesel blends in government fleets and at National Parks.
- Supporting coal and biomass co-firing demonstrations in Indiana, Iowa, Tennessee, New York and Alabama.
- Supporting agriculture market research and demonstration projects.
- Demonstrating black liquor gasification in Virginia.

The cornerstone of the Initiative is research and development of the "biorefinery", a concept modeled after the petroleum industry. Biorefineries will use biomass from today's farms and forests to create an array of products such as fuels, chemicals and power. Biorefineries will be deployed across rural America, providing new opportunities for many agricultural communities. In July 2000, a competitive solicitation attracted over 40 applications, from which four grants dedicated to development of the biorefinery were issued. The projects include:

- Separation of corn fiber and subsequent conversion to fuels and chemicals.
- Polylactic acid, ethanol and power production.
- Production of chemicals, fuels and power from hog manure.
- Use of bark-derived pyrolysis oils as a phenol substitute in structural panel adhesives.

These government industry partnerships have already resulted in success. An example of a successful commercial transfer of technology is the Cargill Dow Polymers' polylactic acid facility. The company has invested more than \$300 million, leveraged by modest government funding, to build a new bio-plastic manufacturing plant in Blair, Nebraska. The new factory will produce more than 300 million pounds annually of the corn-based plastic.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 3, 2000
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 4578 -- DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FY 2001

(Sponsors: Gorton (R), Washington; Regula (R), Ohio)

The purpose of this statement is to provide the Administration's views on the conference version of H.R. 4578, the Department of the Interior and Related Agencies Appropriations Bill, FY 2001.

The Administration is pleased that the House and Senate conferees provided critical funding in the Interior appropriations bill for cleaner water, energy security, Native Americans, and the Arts, and agreed to drop objectionable riders that threatened serious harm to our environment. The bill also provides support for a number of other major Administration priorities. The bill expands funding for weatherization of low-income homes and research into energy efficiency saving consumers money and reducing our dependence on oil, and finances a Regional Home Heating Reserve for the Northeast. It also provides a significant increase in funding for much needed assistance to Native Americans on issues such as school construction, law enforcement, and health care. In addition, the bill increases protection for the environment through funding for the Clean Water Action Plan, and provides the first funding increase for the National Endowment for the Arts since FY 1996.

While the bill does not completely fulfill all of the Administration's objectives, we applaud the effort that Congress has made to address the bill's shortcomings and urge the House to pass this legislation.

By doubling our investment next year in land and water conservation, and guaranteeing even more funding in the years ahead, this agreement is a major step toward ensuring communities the resources they need to protect their most precious lands -- from neighborhood parks to threatened farmland to pristine coastal areas.

In market and policy development:

In addition to technical progress, meeting the goal of the Executive Order will require the development of supporting policies and markets. Examples of Federal policies that will affect the growth of the new industry include:

goals
what of local policies/markets?
don't mention if only show Fed'l policies

- Tax policy
 - The FY 2001 budget request proposes \$976 million in tax incentives over 5 years and \$2.1 million over ten years to accelerate the development and use of bio-based technologies, which convert crops, trees, and other "biomass" into a vast array of fuels and products. New tax credits would apply to biomass power plants that are supplied by agricultural and forestry wastes. The President has also proposed tax credits for landfill methane power plants and power plants that mix biomass with coal.
- Environmental policy
 - The EPA announced the phase out of the use of MTBE in gasoline because of the threat to public health and the environment. MTBE is used as an oxygen additive in reformulated gasoline (RFG) as required by the Clean Air Act. Ethanol is also used to meet RFG guidelines and studies are being completed to determine the extent to which ethanol can meet the demand created by a MTBE phase out.
 - Senator Tom Daschle has introduced bipartisan legislation to create a nationwide renewable fuels standard. The bill would eliminate the 10 year old requirement that gasoline in polluted urban areas contain a certain amount of oxygen in order to reduce carbon monoxide emissions. The bill, however, would require that ethanol consumption remain at or above its current level of 1.3 percent of national gasoline supply. It would mandate increases in consumption over the next 10 years.
 - The existing EPA Clean Air Act regulatory framework presently limits the deployment of clean biomass cofiring technologies. It requires the filing of a new source review (NSR) application, a time consuming and tedious process for a technology that will ultimately reduce the emissions. The biomass cofiring community is ready to work with the EPA to develop a smarter approach.
- Agriculture policy
 - USDA is implementing Section 769 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Act of 1999, to provide new authority to use Conservation Reserve Program land for pilot biomass projects.
 - USDA also published a proposed rule for use of Commodity Credit Corporation funds to boost production of ethanol and biodiesel during the next three fiscal years.
- Electric utility restructuring
 - The Administration's electric utility restructuring proposal to Congress includes a national Renewable Portfolio Standard (RPS) requiring electric suppliers to provide retail customers with minimum levels of electricity generated from "new" renewable energy sources including low-emission biomass. Leading the way in procuring renewable energy, Executive Order 13123, signed by the President, June 3, 1999, directs federal agencies to increase their use of renewable energy.

"new"?

includes direction to

THE WHITE HOUSE

WASHINGTON

September 11, 2000

MEMORANDUM FOR ALL EOP PASSHOLDERS

FROM: Melinda N. Bates *MB*
Special Assistant to the President and Director, Visitors Office

RE: 2000 Fall Garden and House Tours

The annual White House **Fall Garden and House Tours** are scheduled on:

Saturday, October 7	9 a.m. to 12 noon and 2 p.m. to 5 p.m.
Sunday, October 8	1 p.m. to 5 p.m.

There are no congressional guided or group tours on Saturday, October 7. The Garden and House tours are open to the public on a first-come, first-served basis. **No tickets or reservations are used.** The public line begins at the southeast gate. Visitors are admitted if in line by the ending times indicated.

Special access is available for staff and their guests on both days. All staff with photo hard passes are invited to bring up to **6 guests per day** for admittance at the times listed below (one hour after public access begins). We regret that those with passes without a photo, intern passes, press passes and volunteer passes are unable to use this procedure.

Saturday, October 7	10 a.m. to 12 noon and 3 p.m. to 5 p.m.
Sunday, October 8	2 p.m. to 5 p.m.

Entry for the Garden Tour is **only** through the Visitor Entrance on East Executive Avenue. No passholders or guests may enter through the House itself, and guests may **not** be cleared. **Staff must display hard passes.** The passholder/guest line begins at the Visitor Entrance, and continues north along the fence to Pennsylvania Avenue. The staff line alternates entrance with the public line coming from the south.

Visitors view the Jacqueline Kennedy Garden, South Lawn, Children's Garden, Rose Garden, and the State Floor rooms of the White House. Military bands entertain on the lawn. Photographs are permitted on the grounds, but not in the Rose Garden or in the White House. In case of inclement weather, the garden tour is canceled but self-guided tours of the House continue. Current information is always available on the Visitors Office 24-hour information recording, 202-456-7041.

We hope you will take advantage of this special opportunity to show the grounds, gardens, and the State Floor rooms to your family and guests.

goals
In order to successfully reach the goal of the Initiative, policies will remain an important part of the equation, and Congressional support, such as that illustrated by Senator Daschle is essential. *and Lugar*

BUDGET

The President's FY 2001 budget request for DOE included \$54.4 million for transportation biofuels, \$46 million for biopower technologies, \$43.8 million for efforts with industries and \$29.5 million in basic sciences. For biomass efforts in the Department of Agriculture, the President requested \$266.1 million for programs in rural development, farmer credits and basic research. *should mention Lugar & Daschle*

Despite the importance of this Initiative to our Nation's future and bipartisan congressional support in passing the Biomass Research and Development Act in June, Congressional marks for FY01 funding to date are significantly lower than the President's requests (Table 1). *in a the*

*15/14/01
a goal of
FAP?* → The impacts of lower levels of funding jeopardize the goals of this Initiative, and the ability to foster a growing integrated bioenergy industry. Without sufficient funding, serious milestones will be missed and barriers to the success of this vital renewable energy technology will loom large. *no C?*

NEXT STEPS

Over the next year we will fully implement the Federal Government's biomass activities as articulated in the Strategic Plan and begin implementing the technical, market and policy plans as reflected in the industry vision and roadmap. The key to meeting President Clinton's goal of tripling biobased products and bioenergy use by 2010 lies in high-level, well-coordinated, adequately funded partnerships between industry and government. *the EO's*

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[sign out](#) **Hotmail**® [wallace_ann_marie@hotmail.com](#)[Inbox](#) [Compose](#) [Addresses](#) [Folders](#) [Options](#)[Calendar](#) [Help](#)**Inbox****From:** "Courtnei Pugh" <PughC@dnc.democrats.org> [Save Address](#) - [Block Sender](#)**Subject:** DNC News Release for 9/27/00: New DNC Ad on Environment**Date:** Wed, 27 Sep 2000 13:03:30 -0400[Reply](#)[Reply All](#)[Forward](#)[Delete](#)[Previous](#)[Next](#)[Close](#)

For Immediate Release: September 27, 2000

Jenny Backus, 202/863-8148, backusj@dnc.democrats.org**Democrats Highlight Contrasts Between Two Parties on the Environment**

Washington, D.C. * The Democratic National Committee (DNC) today unveiled another television advertisement designed to highlight the contrasts between the Democratic Party and Al Gore's record of protecting the environment versus Republican presidential candidate George W. Bush's Texas legacy of pollution and pandering to oil companies and polluters.

"Democrats will continue to make an issue of George W. Bush's Toxic Texas record. Under Gov. Bush, Texas had the dirtiest air in the nation and the third-worst water pollution," DNC Press Secretary Jenny Backus said. "Bush's pandering to polluters -- like making key environmental rules voluntary * has kept Texas' environment at the bottom of the barrel."

The advertisement "Oil and Water" contrasts Republican nominee George W. Bush's ties to the oil industry and his record as governor of doing anything and everything for the oil industry and other polluters. As governor, Bush coddled polluters, allowing industries to police their own pollution and write the legislation that has led to Texas ranking worst in the nation for air pollution and third worst for water pollution.

The Script

"They say oil and water don't mix. No where is that more true than in Texas.

"After 17 years in the oil business, George W. Bush ran for governor. Then passed laws to let big polluters regulate themselves. Today, Texas is number three in water pollution. Number one in air pollution.

"For over 20 years, Al Gore has fought against polluters; and helped pass laws to clean up our air and water. Helped pass laws to protect air and water. America's environment is cleaner now. Do we really want it to look like Texas?"

For more information, contact the DNC press office at 202/863-8148, or visit the DNC's website at www.democrats.org

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Table 1
(Dollars in millions)

Program	FY 2000 Enacted	FY 2001 Request	FY 2001 House Mark	FY 2001 Senate Mark
DOE				
Biofuels	38.89	54.44	46.60	43.75
Biopower	31.84	48.00	33.00	47.60
Agriculture Industry	4.00	13.00	5.00	7.00
Forest Products Industry	12.08	17.08	12.08	12.08
Biomass Combustion	14.00	13.73	13.50	13.50
USDA				
Agricultural Research Service	45.74	62.54	47.94	45.54
Commodity Credit Corporation	100.00	150.00	150.00	150.00
Cooperative State Research, Education, and Extension Service	11.04	18.66	12.10	12.30
Forest service	9.45	18.95	9.45	13.95
Natural Resources Conservation Service	5.38	8.60	0.00	6.33
Office of the Chief Economist	0.61	1.61	0.61	0.61
Other**	0.61	5.72	3.64	0.39
*Money appropriated to NETL/FE **Includes rural Development, Risk Management, Office of the Secretary, Procurement, Property and Emergency Preparedness				

13
15
October 5, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: Update on Bioenergy Initiative ~~EO 13134~~ ?

check changes w/ other
go to original
I have asked the Departments of Energy and Agriculture for the status of your Bioenergy Initiative. I attach that summary. You will also soon be receiving, as required by Executive Order 13134, a Strategic Plan outlining how various agencies will pursue the goals of your Initiative.

other memo has it
Nat'l Bio Prod & Bioen Coord Office
In the first year, we have progressed on many fronts. We have established a Biomass Research and Development Board, co-chaired by DOE and USDA and including EPA, Interior and OSTP among others, which is overseeing the preparation of the Strategic Plan. We have opened a National Coordination Office for Biobased Products and Bioenergy, which serves as the day to day staff operation for the Board, enhancing communication and cooperation among the agencies to form key industry partnerships. We have also begun to form a Federal Advisory Committee on Bioenergy and Bioproducts. ~~Technical Advisory Committee~~ ^{Biomass Research & Development}

The enactment of the Biomass Research and Development Act earlier this year, chiefly sponsored by Senator Richard Lugar (R-IN) has boosted bipartisan support for our efforts. Your Executive Order and this legislation have provided impetus to ongoing federal efforts to work with private industry and research institutions to improve the technology. Our pragmatic focus has been on lowering the cost of breaking down cellulosic biomass through enhanced enzymes; demonstrating biodiesel fuel applications; improving the infrastructure and practices needed to provide supply of agricultural residues; and other similar efforts.

need #15?
We have ~~also~~ extended four project grants this year pursuant to your Initiative. These projects focus on 1) separating and converting corn fiber to ethanol; 2) producing power using polylactic acid and ethanol; 3) producing fuels, chemicals and power from hog manure; and 4) using tree bark-derived oils for adhesive applications.

The agencies involved point out that future progress in this area will depend in part on a host of related federal policies, including tax credits, phasing out of MTBE, changes to the Clean Air Act that encourage biomass energy production, and electricity restructuring. The

Administration's principles on the phasing out of MTBE, for example, have laid out a clear framework for moving forward in this area.

These efforts have begun to show a federal focus on the potential of bioenergy and biobased products to become a true national priority. Considering the institutional changes made within the government coupled with the partnerships being established with the private sector, we can look forward to continued progress in the years ahead.

yes?

Copied to: John Podesta
Secretary Bill Richardson

October 5, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: Update on Bioenergy Initiative

EO Initiative
the same
I have ~~attached a short summary prepared by~~ asked the Departments of Energy and Agriculture to prepare a short summary update on the status of your Bioenergy Initiative. I attach that summary. You will also soon be receiving, as required by Executive Order 13134, a Strategic Plan outlining how the various agencies will pursue the goals of your Initiative.

is overseeing
~~Within~~ In the first year, we have progressed on many fronts. We have established a Biomass Research and Development Board, co-chaired by DOE and USDA and including EPA, Interior, and OSTP, ~~and others among others, which~~. This Board has overseen the preparation of the Strategic Plan. We have opened a National Coordination Office for Biobased Products and Bioenergy, which serves as the day to day staff operation for the Board, to enhance communication and cooperation among the agencies and to forming key industry partnerships. And ~~we~~ We have also begun the process of forming a Federal Advisory Committee on bioenergy and bio products.

B?
~~Bipartisan support for our efforts got a boost from~~ The enactment of the Biomass Research and Development Act earlier this year, chiefly sponsored by Senator Richard Lugar (R-IN) has boosted bipartisan support for our efforts. Your Executive Order and ~~this~~ legislation have provided impetus to ongoing federal efforts to work with private industry and our research institutions to improve the technology. Our focus has been on lowering the cost of breaking down cellulosic biomass through enhanced enzymes; demonstrating biodiesel fuel applications; improving the infrastructure and practices needed to provide supply of agricultural residues; and other similar efforts.

programmatic
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B?

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a federal focus on

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Copied to: John Podesta
Secretary Bill Richardson

*Not
Considering the*