



Renewable Chemicals
and Materials Alliance

Testimony before the Biomass Research and Development
Technical Advisory Committee
May 22, 2015

Good morning. My name is Michele Jalbert and I serve as Chief Operating Officer for the Renewable Chemical and Advanced Materials Alliance, also known as re:chem. Thank you for this opportunity to speak and I sincerely appreciate the scheduling accommodation which allowed me to attend the annual OECD Rural Development Policy Conference earlier this week in Memphis before joining you today.

For those who may not be familiar with us, re:chem was founded in 2013 by a group of leading renewable chemical companies, all of which have earned prestigious EPA Presidential Green Chemistry Challenge Awards for their innovative work. Re:chem was formed to focus on federal and state policies that could facilitate the development of the rapidly commercializing renewable chemical sector in the US. The global landscape for siting renewable chemical manufacturing operations was – and continues to be – extremely competitive. Other countries offer a veritable smorgasbord of incentives to lure companies abroad. These incentives range from direct equity, low or zero interest loans, ten-year tax holidays and abatement, pre-permitted and built-out infrastructure as well as active recruitment for up and downstream value chain. An overview of incentives by country is shown in the table below.

Country	Supply Incentive	Demand Incentive
Australia		X
Brazil	X	
Canada	X	
European Union		X
Japan		X
Korea		X
Malaysia	X	
Philippines		X
Singapore	X	
Taiwan	X	X

Re:chem was created to help level the global playing field, just as innovative renewable chemical technologies were beginning to reach the commercialization stage. Our goal was in 2013, and is today, to foster policies that will allow this advanced manufacturing renaissance to take root and flourish here in the US. We do not want to cede the potential of this important driver in the new economy – with its high-value jobs, investment, infrastructure and full value chain development – to other countries. We want to keep those jobs and that manufacturing potential right here at home.

As mentioned, the 10th Annual Rural Development Conference was held earlier this week. At this conference, there were hours of robust policy discussion covering a bioeconomy that now spans biofuels, biochemicals and biopower. That would not have been the case two short years ago. There has been a fundamental shift in US policy, and while work still needs to be done, there is increasing harmonization across federal funding opportunities that support biofuels, biochemicals and biopower in a more balanced way.

I am here today to thank the members of the Biomass Research and Development Technical Advisory Committee, the Biomass Research and Development Board and the hard-working professionals at both USDA and DOE for your leadership in helping accomplish this shift in policy. Your work is making a fundamental difference

in the chances that the exciting renewable chemical sector will become an integral part of the emerging new economy in the US.

By way of example, let me offer the most recent Biomass Research & Development Initiative funding opportunity. Two new elements in this year's application process dramatically changed the relevance of BRDI for the renewable chemical sector.

- 1) Biochemical projects were allowed to apply in parity with biofuels and biopower projects
- 2) Project scopes were narrowed to a more realistic single focus area, versus the previous requirement for broad solutions for the full value chain

Opening up programs like BRDI will facilitate the commercialization of renewable chemical products and the development of full value chains to support that commercialization – right here in the US. These two changes made a big difference and it is part of an encouraging larger picture.

In addition to your good work, we are thrilled with the evolution of programs under the most recently enacted Farm Bill, where clear congressional intent is evidenced in the inclusion of renewable chemicals in programs like the 9003 loan guarantee program. In fact this program is now renamed *The Biorefinery, Renewable Chemical and Biobased Products Manufacturing Program*.

This is all part of an accelerating realization that renewable chemicals have moved far beyond the green niche they once occupied to become a significant driver in the emerging new economy. There is still work to be done – we will always be knocking on your door encouraging inclusion of renewable chemicals in all programmatic offerings. At re:chem, we are working hard to enact a renewable chemical production tax credit. We are also working to achieve regulatory parity for the exciting new products emerging in this sector, such as materials used in light-weighting of cars, high performance nylons and polymers used in amazing 3D printing applications. But we are making progress, thanks to the leadership demonstrated by this Committee and others who grasp the potential of the global renewable chemical market, projected to reach \$73.8 billion by 2020.

Thank you.