



Alternative Fuels & Chemicals Coalition

Advocating for Public Policies to Promote the Development & Production of Alternative Fuels, Renewable Chemicals, Biobased Products, and Sustainable Aviation Fuels

AFCC'S FY2020 Appropriation Requests Compared with the President's FY2020 Budget & the Final Consolidated Appropriations Act of FY2020 (Pub.L. 116-93)

A Summary of the Key Programs Monitored by AFCC begins on Page 3
(AFCC's objective, contact information, and four key points that AFCC wishes to stress about its appropriation requests are listed below)

AFCC's Objective

"The U.S. government doesn't build your computers, nor do you fly aboard a U.S. government owned and operated airline. Private industry routinely takes technologies pioneered by the government and turns them into cheap, reliable and robust industries." – Peter Diamandis

"AFCC's objective is to encourage the U.S. Congress to fund and enact policies that promote cutting-edge ideas and attract the private sector investment and entrepreneurship necessary to bring these ideas to market."

– CJ Evans, Executive Director, Alternative Fuels & Chemicals Coalition

Contact Information

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Four Key Points

Re: AFCC's FY2020 Appropriation Requests

- 1. The focus of AFCC's appropriations requests is to ensure the continuation – and where possible, the expansion – of the federal funding opportunities that advance research and development, support testing and validation, and lead to the commercial deployment of new technologies, services, and products that benefit the American people.**
- 2. These funding opportunities play a critical role in the market economy.** They stimulate innovation. They lead to the development of new technologies, services and products.
- 3. Most importantly, they prime the pump for private sector investment.** They do this by providing the necessary **validation and reduction of risk** to give private sector investors and lenders the **confidence** that is needed to put their money into financing these technologies, services and products and **deploying them widely throughout the marketplace.**
- 4. Without this validation and reduction of risk, very few, if any, private sector investors will take a chance on something that is new, innovative, or disruptive** and, thus, the benefits that could accrue to the market economy and the American public may never be realized and could be lost forever ... or leave an opening for another country, such as China, to replace the U.S. as a global innovation leader.

AFCC's FY2020 Appropriation Requests & Final FY2020 Appropriations Signed into Law

KEY PROGRAM SUMMARIES FOR THE
AGRICULTURE (AG); COMMERCE, JUSTICE & SCIENCE
(CJS); ENERGY & WATER (E&W); INTERIOR &
ENVIRONMENT (I&E), AND TRANSPORTATION
APPROPRIATION SUBCOMMITTEES

Please see next page



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Advocating for Public Policies to Promote the Development & Production of Alternative Fuels & Chemicals, with a Focus on Sustainable Aviation Fuels

Final: Consolidated Appropriations Act of FY2020 (Pub.L. 116-94)

KEY PROGRAMS SUMMARY:

AGRICULTURE & RURAL DEVELOPMENT

Agriculture & Rural Development							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
The budget amounts below include both Program Level (PL) and Budget Authority (BA) amounts							
USDA Business & Industry (B&I) Loan Guarantees (Section 310B of the Consolidated Farm and Rural Development Act)							
Discretionary	PL: \$920 million; BA: \$36 Million	PL: \$922 million; BA: \$35 million	PL: \$ 864 million; BA: \$35 million	PL: \$920 million; BA: \$37 million	PL: \$1 billion BA: \$21 million*	Maintain PL: \$1 billion BA: \$35 million*	PL: \$950 million BA: \$33.25 million
Mandatory	\$0	\$0	\$0	\$0	\$0	\$0	\$0
USDA Section 9002 Biobased Products Procurement Program (USDA BioPreferred Program)							
Discretionary	\$2 million	\$2 million	\$2 million	\$3 million	\$0	\$3 million	\$3 million
Mandatory	\$3 million	\$3 million	\$3 million	\$3 million	\$0	\$3 million	\$3 million
USDA Section 9003 Biorefinery, Renewable Chemical & Bioproducts Manufacturing Assistance Loan Guarantee Program¹							
¹ FY2020 is the final year of mandatory funding for this program; therefore, the program will be reliant on discretionary funding going forward							
Discretionary	\$0	\$0	\$0	\$0		Provide \$25 million discretionary +	\$0
Mandatory	PL: \$254 million; BA: \$50 million	\$0	\$0	**PL: \$127 million; BA: \$50 million	**PL: \$127 million; BA: \$25 million	Maintain \$25 million BA per 2018 Farm Bill	\$25 million BA. Based on 2019 subsidy rate, PL = \$63.5 million

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Agriculture & Rural Development

Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
USDA Section 9005 Bioenergy Program for Advanced Biofuels							
Discretionary	\$0	\$0	\$0	\$0	\$0	Appropriate \$20 million discretionary funding per 2018 Farm Bill	\$0
Mandatory	\$15 million PL & BA	\$14 million PL & BA	\$14 million PL & BA	\$7 million PL & BA	\$7 million PL & BA	Maintain \$7 million per 2018 Farm Bill	2019-2023 mandatory funding of \$7 million PL & BA
USDA Section 9007 Rural Energy for America Program (REAP) Loan Guarantees							
Discretionary	PL: \$76 million; BA: \$5 million	PL: \$8 million; BA: \$0	PL: \$8 million; BA: \$0	PL: \$7 million; BA: \$0	\$0	Appropriate \$20 million in discretionary funding as provided in the 2018 Farm Bill	\$706,000 BA; \$20 million PL based on 3.53% subsidy rate
Mandatory	PL: \$379 million; BA: \$25 million	PL: \$301 million; BA: \$14 million	PL: \$524 million; BA: \$20 million	PL: \$487 million; BA: \$22 million	Proposing to rescind mandatory \$38 million BA	Maintain \$50 million BA per 2018 Farm Bill	There was a 5.9% rescission of the \$50 million mandatory BA. Of the total \$47.050 million BA, USDA allocated \$5.758 million BA and \$163.12 million PL to loan guarantees.



Agriculture & Rural Development

Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
USDA Section 9007 Rural Energy for America Program (REAP) Grants							
Discretionary	\$5 million PL & BA	\$0	\$0	\$0	\$0	Included in REAP above	\$0
Mandatory	\$25 million PL & BA	\$33 million PL & BA	\$26 million PL & BA	\$28 million PL & BA	Proposing to rescind mandatory \$16 million PL & BA	Included in REAP loan guarantee request above	USDA allocated \$41.292 million of the total \$47.050 million BA to the grant program
USDA Section 9008 Biomass Research and Development ***							
Discretionary	\$0	\$0	\$0	\$0	\$0	Restore program to \$3 million	\$0
Mandatory	\$3 million PL & BA	\$3 million PL & BA	\$0	\$0	\$0	\$0	\$0
USDA Section 9011 Biomass Crop Assistance Program (BCAP)							
Discretionary	\$10 million PL & BA	\$5 million PL & BA	\$1 million PL & BA	\$0	\$0	Restore program to \$25 million per 2018 Farm Bill	\$0
Mandatory	\$0	\$0	\$0	\$0	\$0	\$0	\$0
USDA Value Added Producer Grants							
Discretionary	\$11 million PL & BA	\$15 million PL & BA	\$16 million PL & BA	\$16 million PL & BA	\$0	Restore program to \$16 million	\$15,000,000
Mandatory	\$0	\$0	\$0	\$0	\$0	\$0	\$0
The Final FY2020 appropriation also provides \$247,835,000 to Rural Development for salaries and expenses of operations							



Please Note:

* The 2020 President's Budget for the Business and Industry loan Guarantee Program propose a \$1 billion Program Level (PL) but Budget Authority (BA). This is a considerable reduction in the estimated BA from previous years (FY 2018- \$35 million and 2019-\$37 million). No explanation was provided for the significant reduction of BA to support a larger proposed PL. Budget appropriation levels are based on BA, not proposed PL. Without documentation from the Office of Management and Budget (OMB) to support why the subsidy costs for this program were reduced, an appropriation of \$21 million BA would not support the \$1 billion PL. Based on interpolation using 2018 actual funding levels (PL and BA), the \$21 million of BA proposed for 2020 would only support \$522 million PL.

** Program Level for the Section 9003 Program is calculated by Office of Management and Budget (OMB) on an individual project basis on the Budget authority amount assigned to each individual project. To project the Program Level for the Fiscal Years 2018, 2019 and 2020, an interpolation was conducted based on the Fiscal Year 2016 actual budget reported. This assumes the projects funded in these respective years will be similar in characteristics to projects funded in 2016.

*** The Biomass Research and Development program continues to be funded through the U.S. Department of Energy (DOE), instead of jointly between DOE and USDA.



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Final: Consolidated Appropriations Act of FY2020 (Pub.L. 116-93)

KEY PROGRAMS SUMMARY:

COMMERCE, JUSTICE & SCIENCE (CJS)

Commerce							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
DOC Economic Development Administration (EDA)							
	\$222,000,000	\$237,000,000	\$262,500,000	\$266,500,000	\$0	Restore program to \$265 million	\$292,500,000
DOC National Oceanic and Atmospheric Administration (NOAA), Oceanic and Atmospheric Research (OAR)							
	\$461,898,000	\$461,024,000	\$474,514,000	\$525,060,000	\$309,141,000	Restore program to \$525,000,000	\$548,384,000
DOC NOAA Office of Marine and Aviation Operations (OMAO):							
	\$211,131,000	\$210,732,000	\$209,712,000	\$226,420,000	\$231,673,000	\$231,673,000 per DOC request	\$274,490,000
DOC National Institute of Standards and Technology, Scientific and Technical Research and Services (STRS)							
	\$964,000,000	\$954,000,000	\$724,500,000	\$724,500,000	\$698,000,000	Restore program to \$954 million	\$754,000,000
DOC National Institute of Standards and Technology, Industrial Technology Services, Manufacturing Extension Partnership (MEP)							
	\$155,000,000	\$155,000,000	\$155,000,000	\$155,000,000	\$0	Restore program to \$155 million	\$155,000,000

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Science							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
NSF Research and Related Activities							
	\$6,033,645,000	\$6,033,645,000	\$5,993,000,000	\$6,556,183,000	\$5,818,612,413	\$6.3 billion	\$6,737,200,000
NSF Education and Human Resources							
	\$880,000,000	\$880,000,000	\$902,000,000	\$915,000,000	\$812,062,500	\$908 million	\$940,000,000
NSF Major Research Equipment and Facilities Construction							
	\$200,310,000	\$209,000,000	\$182,800,000	\$249,254,000	\$221,212,925	\$250 million	\$243,230,000
NSF Agency Operations and Award Management							
	\$330,000,000	\$330,000,000	\$328,510,000	\$328,510,000	\$291,552,625	\$330 million	\$336,900,000
NSF National Science Board							
	\$4,370,000	\$4,370,000	\$4,370,000	\$4,370,000	\$3,878,375	\$4.37 million	\$4,500,000
NSF Office of Inspector General							
	\$15,160,000	\$15,200,000	\$15,200,000	\$15,350,000	\$13,623,125	\$15.2 million	\$16,500,000
NSF Total Request							
	\$7.5 billion	\$7.5 billion	\$7.5 billion	\$8 billion	\$7.16 billion	Restore program to \$7.8 billion	\$8,278,330,000

AFCC submitted the following comments to House and Senate professional staff and appropriators:

The President's 2020 Budget is increasing investment in other areas at the expense of eliminating key grant programs in research and development in growing the biobased economy. The Economic Development Administration (EDA) Program, created in 1965 to



promote economic activity in distressed areas, would be eliminated. In addition, government support for the Manufacturing Extension Partnership program, a public-private initiative will be eliminated.

AFCC STRONGLY OPPOSES the elimination of the Economic Development Administration (EDA) Program. This program provides loan guarantees for innovative technologies which is an important source of financing for small to medium size manufacturers for projects that result in building manufacturing facilities in the United States. This loan guarantee program would also support commercializing innovative products or research and development work funded in whole or part by a grant from the federal government.

The DOC has an overarching goal: Helping the American Economy Grow. The DOC promotes job creation and economic growth, provides the data necessary to support commerce, oversees ocean and coastal navigation, and fosters innovation by setting standards and conducting foundational research and development. All of this is a requirement for a thriving scientific national community.

AFCC ALSO STRONGLY OPPOSES the 36% reduction in funding for the OAR research program. OAR seeks to improve the understanding of changes in the Earth's environment impacting climate change. OAR's science enables NOAA to fulfill its diverse mission, both today and into the future, and it supports labs and research programs across the United States with collaborative external partnership efforts. OAR research contributes to accurate weather forecasts, enables communities to plan for and respond to protecting agricultural communities impacting farmers against drought and other climate events. Furthermore, it enhances the protection and management of the Nation's coastal and ocean resources.

AFCC RECOMMENDS INCREASING FUNDING FOR the Scientific and Technical Research and Services (STRS) which provides resources for all of NIST's laboratory programs. NIST's Laboratory Programs work at the frontiers of measurement science to ensure the U.S. system of measurements are firmly grounded on sound science and technical principles. The measurement science research at NIST is the basis for all pure and applied science disciplines that contribute to the productivity and competitiveness of the American economy. Ensuring NIST's continued excellence will provide the administration with a critical tool for strengthening American competitiveness.

AFCC RECOMMENDS INCREASING FUNDING FOR all of the NSF programs to ensure financial support in wide range of scientific areas, from microbial conversion technologies to plant genomics which impacts the biobased economy. NSF programs assist in developing improved health care products, enhancement in agricultural crop development, sustainable aviation fuels, and industrial and environmental everyday biobased consumer products. Yearly, NSF provides about 12,000 new grant awards, which support all fields of basic research.



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Final: Consolidated Appropriations Act of FY2020 (Pub.L. 116-94)

KEY PROGRAM SUMMARY: ENERGY & WATER (E&W)

Energy							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
DOE - Advanced Research Program Agency – Energy (ARPA-E)							
	\$291,000,000	\$305,245,000	\$353,214,000	\$366,000,000	\$0	Restore program to \$360 million	\$425,000,000
DOE - Office of Science (OS)							
	\$5.3502 billion	\$5.391 billion	\$6.26 billion	\$6.585 billion	\$5.5 billion	Restore program to \$6.4 billion	\$7,000,000,000
DOE - Office of Energy Efficiency and Renewable Energy (EERE)							
	\$2.073 billion	\$2.09 billion	\$2.322 billion	\$2.379 billion	\$343,000,000	Restore Program to \$2.35 billion	\$2,848,000,000
The Department of Energy's Title 17 Innovative Technology Loan Program							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
DOE - Title 17 Innovative Technology Loan Program Office Administrative Expenses							
	\$42 million less fees	\$37 million less fees	\$33 million less fees	\$33 million less fees	\$0 (eliminate program)	Restore program to \$33 million less fees	\$32,000,000

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The Department of Energy's Title 17 Innovative Technology Loan Program							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
DOE - Title 17 Loan Authority							
	\$24 billion	\$24 billion	\$24 billion	\$24 billion	\$0 (eliminate program)	Maintain full loan authority	No change; full loan authority maintained
DOE - Title 17 Tribal Energy Loan Program							
	\$0	\$9 million	\$1 million	\$1 million	\$0 (eliminate program)	Restore program to \$1 million	\$2,000,000
DOE - Advanced Technology Vehicles Manufacturing (ATVM) Loan Program							
	\$6 million	\$5 million	\$5 million	\$5 million	\$0 (eliminate program)	Restore program to \$5 million	\$5,000,000
DOE - ATVM Loan Authority							
	\$16 billion	\$16 billion	\$16 billion	\$16 billion	\$0 (eliminate program)	Maintain full loan authority	No change; full loan authority maintained

AFCC submitted the following comments to House and Senate professional staff and appropriators:

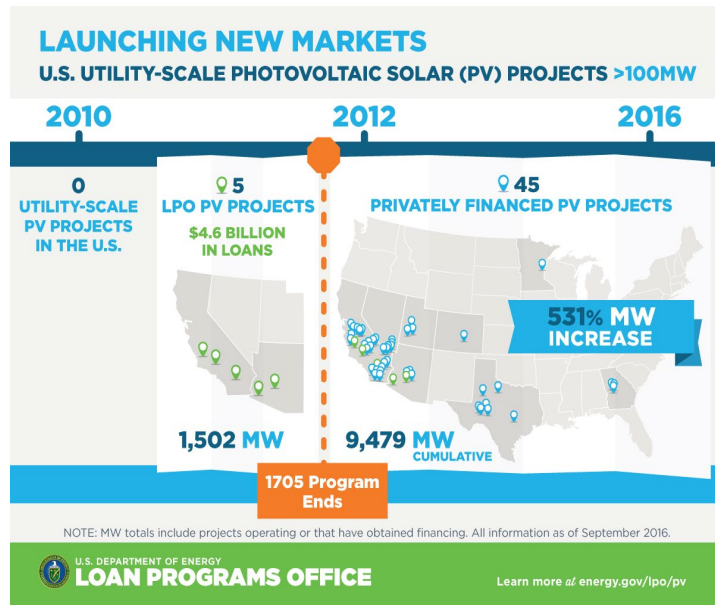
AFCC STRONGLY OPPOSES the elimination of the Title 17 Innovative Technology Loan Program and Advanced Technology Vehicle Manufacturing (ATVM) loan program. Eliminating this program does not make economic, fiscal, or business sense. Here's why:

The Title 17 Program creates jobs and stimulates private sector investment.

- There currently are several large infrastructure projects – with the potential of creating tens of thousands of jobs – going through the Title 17 application process. These projects are only a few steps away from being ready to build, with the first projects poised to move forward in 2020.



- These projects cannot be financed in any other way. Eliminating the Title 17 program will stop these projects. The Title 17 program has shown through the projects it already has supported that each federal dollar invested in a loan guarantee stimulates more than \$10 in private capital investment and leads to scores of additional follow-on projects supported entirely by private sector financing. Every project in the Title 17 pipeline that is built will generate tax revenues for local communities, states and the federal government, as well as state and federal income taxes from the salaries paid to workers.



- That's not all. DOE's Title 17 Loan Guarantee Program and its sister, the Advanced Technology Vehicle Manufacturing (ATVM) direct loan program, have produced an average of \$250 million per year in interest payments, returning almost \$2.6 billion in collections to the U.S. Treasury since their first loan closing in 2009.

LPO Portfolio Performance Summary as of March 2019

Loan and Loan Guarantees Issued	\$35.69 billion
Conditional Commitments	\$2.00 billion
Amount Disbursed	\$27.45 billion
Principal Repaid	\$9.52 billion
Interest Paid*	\$2.58 billion
Actual and Estimated Losses	\$0.81 billion
Losses as % of Total Disbursement	2.93%

* Calculated without respect to Treasury's borrowing cost.

- Its losses represent only 2.93% of its portfolio, a loss rate any commercial bank would happily claim.
- The bulk of the administrative costs necessary to operate the Title 17 program – up to \$37 million per year – are paid by the companies that submit applications. Only \$17 million per year was allocated from the general fund for FY2016 and FY2017 for the Title 17 program in the DOE budget. Another \$5 million per year was allocated in FY2016 and FY2017 to operate the ATVM program.
- WHILE ACTUAL & PROJECTED REVENUES HAVE NO IMPACT OR RELEVANCE IN THE U.S. CONGRESS WHEN IT COMES TO SCORING SPENDING BILLS, THE REVENUES GENERATED FOR THE U.S. TREASURY BY THE TITLE 17 & ATVM PROGRAMS OCCUR NEVERTHELESS.
- In fact, interest payments to the U.S. Treasury from Title 17 and ATVM loan obligations generate **6.75 times more in revenue** than the total administrative costs required to operate the programs, and **12 times more in revenue when the fees paid by companies that submit applications are taken into account** (\$250M/\$20M = 12.5).
- The \$250 million in annual interest payments that currently are being paid to the Treasury

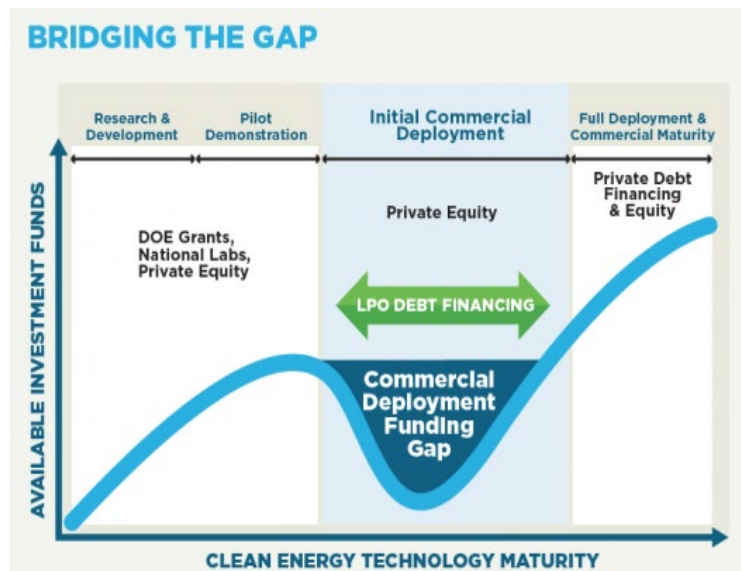


will continue for as long as the current Title 17 and ATVM loans are outstanding. However, **the longer these two programs are extended, the more projects will be approved, and the more revenues to the Treasury will increase.**

PRIORITY PROJECTS CURRENTLY IN THE TITLE 17 PIPELINE, IN WHICH PRIVATE COMPANIES HAVE INVESTED YEARS OF WORK AND MILLIONS OF DOLLARS, SHOULD BE ALLOWED TO MOVE FORWARD. To keep these projects moving and keep the Title 17 program alive for 2020 will require an appropriation of \$33 million in administrative costs (which will be reduced by applicant fees) plus another \$5 million for the ATVM program. **This is an investment that will repay itself many times over in the revenues these projects will generate for the U.S. Treasury and in the privately- funded, follow-on projects they will stimulate.**

The Title 17 and ATVM programs overcome project-stopping obstacles in obtaining loans for the first commercial deployments of innovative American energy projects:

- Financing innovative, disruptive technologies is not something the private sector can do or do better. The Title 17 program was established because the private sector will not finance projects that have a high risk of failure due to the use of something that is brand new, unproven, and never done before at commercial scale.
- Every project advanced through research and development (R&D) by DOE will be meaningless unless they can be commercialized and deployed so that the nation can benefit from these technologies.
- Without a path to commercialization, no innovation advanced through R&D will be able to become reality.





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Final: Consolidated Appropriations Act of FY2020 (Pub.L. 116-94)

KEY PROGRAM SUMMARY: INTERIOR & ENVIRONMENT (I&E)

Interior							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
DOI Bureau of Indian Affairs, Office of Indian Energy and Economic Development							
	\$113,804,510	\$120,050,595	\$123,565,389	\$174,616,164	\$0	Restore program to \$175 million	\$120,000,000
DOI Bureau of Indian Affairs, Indian Guaranteed Loan Program							
	\$7,748,000	\$8,757,000	\$9,272,000	\$10,779,000	\$909,000	Restore program to \$10.8 million	*\$11,779,000
<p>*The purpose of the Indian Guaranteed Loan Program is to encourage eligible borrowers to develop viable Indian businesses through conventional lender financing. The guarantee helps lenders reduce excessive risks on loans they make. That in turn helps borrowers secure conventional financing that might otherwise be unavailable. While the Access to Energy Resources and Job Development Program did not receive a FY2020 appropriation, guaranteed loan program borrowers can use the loans to carry out renewable energy, renewable chemical, biobased product, sustainable aviation fuel, and energy resources and job development projects that will increase the economic well-being of Tribes.</p>							
DOI Bureau of Ocean Energy Management, Ocean Energy Management							
	\$170,857,000	\$169,560,000	\$171,000,000	\$179,266,000	\$0	Restore program to \$172 million	\$191,511,000



Interior

Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
DOI Office of Surface Mining Reclamation and Enforcement, Abandoned Mine Reclamation Fund							
	\$90,000,000	\$105,000,000	\$115,000,000	\$115,000,000	\$0	Restore Program to \$115 million	\$117,768,000

Environment

Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
EPA Resource Conservation and Recovery Act (RCRA) RCRA Waste Management							
	\$58,986,000	\$58,277,000	\$58,439,000	\$58,728,300	\$46,813,000	Maintain \$58.7 million	\$66,819,000
EPA Leaking Underground Storage Tank Trust Fund Program (LUST)							
	\$91,941,000	\$91,941,000	\$91,941,000	\$91,941,000	\$47,801,000	Restore to \$91.9 million	\$91,941,000
EPA Underground Storage Tanks (UST) – included in LUST above							
	\$11,083,400	\$11,273,000	\$10,812,600	\$11,295,000	\$5,996,000	Restore to \$11.3 million	\$10,750,000
see next page							



Environment							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
EPA Federal Vehicle and Fuels Standards and Certification							
	\$85,613,600	\$93,070,000	\$90,650,100	\$94,240,000	\$77,826,000	Restore program to \$90.65 million	\$94,790,000
EPA Pollution Prevention Program							
	\$1,060,041,000	\$1,066,041,000	\$1,076,041,000	\$1,077,041,000	\$0	Restore program to \$1.1 billion	*\$1,075,907,000
*For grants, including associated program support costs, to States, federally recognized tribes, interstate Agencies, tribal consortia, and air pollution control agencies for multi-media or single media pollution prevention							
EPA STAR Research Grants							
	\$39,058,000	\$40,958,000	\$0	\$28,536,000	\$0	Restore program to \$40 million	\$28,600,000

AFCC submitted the following comments to House and Senate professional staff and appropriators:

AFCC has grave concerns about EPA's policy direction and its devaluation of science and climate change.

AFCC STRONGLY RECOMMENDS the agency's reorganization plans must be submitted to the House and Senate Committees on Appropriations for approval. The agency is spending time, effort, and expense in renaming existing offices instead of working on environmental issues important to all aspects of public health and the environment. The most recent budget request, for fiscal year 2020, would cut research by 43 percent, eliminate all investments in fighting climate change and eliminate more than 37 longstanding programs with proven records at improving the environment.

AFCC STRONGLY OPPOSES these budget cuts and urges the administration to reinstate these programs, since cleaning the environment, both air and water, require serious investments, and provide the agency resources to meet its mission.



Congress and its appropriators have rejected these drastic cuts to EPA for three years in a row, and unknown to policy makers and the public, EPA has lost 8 percent of its workforce since fiscal year 2016, and several EPA offices have suffered even larger losses.

The Office of Enforcement and Compliance Assurance has lost 19 percent of its staff. Region 6 which provides services to several states including New Mexico, has lost 12 percent of its staff. AFCC urges the agency leadership to follow the direction of Congress by focusing on hiring and retaining qualified staff rather than allowing drastic losses.

The President's FY2020 Budget proposes steep cuts to EPA's Atmospheric Protection Program. The mandatory greenhouse reporting program covers thousands of industrial emitters and feeds the emissions inventory required under the U.N. Framework Convention on Climate Change.

The budget would fund it at just \$14 million, compared with \$103 million in fiscal 2019. The 90 percent cut will eliminate a long list of climate change-related partnership programs. The plan would also cut the air and energy research program, which includes climate research by about two-thirds, from \$95 million fiscal 2019 to \$31.7 million.

AFCC STRONGLY RECOMMENDS that EPA reconsider its restructuring goals and immediately put a stop to eliminating programs which were authorized by Congress to meet the agency's mission to protect public health and the environment. Therefore, AFCC recommends that EPA develop a workforce plan which has a timeline to achieve the staffing levels provided for in the fiscal year 2019 enacted appropriations set by Congress.

All agency staff should be hired and provided appropriate travel budget at appropriate levels which would provide current and future staff to fully conduct their work and inspections as needed for safe operations and worker safety. And, as current EPA leadership considers future reorganizations and cuts to existing programs to states, tribes, and/or EPA staff, that the EPA leadership obtain feedback from these groups prior to any reorganization or cuts to any of these programs. Furthermore, EPA leadership should provide the needed training, work schedules and performance assessments which are consistent with signed agreements for both, the staff employees and union.

In addition, should the agency leadership consider other reorganization to programs and staff, that these be submitted for Congressional Appropriations Committee for approval and a federal register be submitted for public comments consideration.



Alternative Fuels & Chemicals Coalition

Advocating for Public Policies to Promote the Development & Production of Alternative Fuels & Chemicals, with a Focus on Sustainable Aviation Fuels

Final: Consolidated Appropriations Act of FY2020 (Pub.L. 116-93)

KEY PROGRAM SUMMARY: TRANSPORTATION

Transportation							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
DOT - Fixing America's Surface Transportation (FAST) Act (P.L. 114-94)							
	\$42,361,000,000	\$43,266,100,000	\$44,234,212,000	\$45,268,596,000	\$46,813,000,000	Per Administration Request	\$46,365,092,000
DOT - Office of the Secretary – National Infrastructure Investments							
	\$500,000,000	\$500,000,000	\$1,500,000,000	\$900,000,000	\$1,000,000,000	Per Administration Request	\$1,000,000,000
DOT - Office of the Assistant Secretary for Research and Technology (OST-R)							
	\$13,000,000	\$13,000,000	\$23,465,109	\$8,471,000	\$22,000,000	\$22,000,000	\$21,000,000
DOT - Office of the Secretary – Transportation Planning, Research & Development							
	\$8,500,000	\$12,000,000	\$14,000,000	\$7,879,000	\$8,000,000	Restore program to \$12,000,000	\$10,879,000
DOT - Federal Aviation Administration - Research, Engineering and Development							
	\$166,000,000	\$176,500,000	\$188,900,000	\$191,100,000	\$120,000,000	Restore program to \$180,000,000	\$192,665,000

A Collaborative Government Affairs Effort

Organized by Kilpatrick Townsend & Stockton and American Diversified Energy Consulting Services

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Transportation							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
DOT - Federal Aviation Administration - Grants-in-Aid for Airports							
	\$3,350,000,000	\$3,350,000,000	\$3,350,000,000	\$3,350,000,000	\$3,350,000,000	\$3,350,000,000	\$3,350,000,000
DOT - Federal Aviation Administration - Grants-in-Aid for Airports, Airport Development Discretionary Grants							
	\$0	\$0	\$1,000,000,000	\$500,000,000	\$0	Restore to \$500,000,000	\$400,000,000
DOT - Federal Aviation Administration – Advanced Technology and Prototyping							
	\$21,300,000	\$24,800,000	\$26,800,000	\$33,000,000	\$40,900,000	per Administration request	\$40,900,000
DOT - Federal Aviation Administration - Research, Engineering and Development (RE&D), NextGen (Next Generation Air Transportation System)							
		\$60,155,000	\$60,000,000	\$61,796,000	\$31,100,000	Restore to \$61,800,000	\$61,538,000
DOT - Federal Aviation Administration - Research Engineering and Development (RE&D), NextGen – Environmental Research-Aircraft Technologies, Fuels, and Metrics							
	\$25,800,000 Included in NextGen appropriation above	\$27,200,000 Included in NextGen appropriation above	\$29,200,000 Included in NextGen appropriation above	\$29,200,000 Included in NextGen appropriation above	\$12,500,000	Restore to \$29,200,000	\$29,200,000 Included in NextGen request above
DOT - Federal Aviation Administration - Operations, NextGen – Aviation Research Grants Program							
	\$0	\$32,000,000 Included in NextGen appropriation above	\$32,000,000 Included in NextGen appropriation above	\$32,000,000 Included in NextGen appropriation above	\$0	Restore to \$32 million	\$0
DOT - Federal Aviation Administration - Research, Engineering And Development, NextGen – Alternative Fuels for General Aviation							



Transportation							
Program	FY 2016 Appropriation	FY 2017 Appropriation	FY 2018 Appropriation	FY 2019 Appropriation	President's FY 2020 Budget	AFCC's FY 2020 REQUEST	FINAL FY 2020 Appropriation
	\$7,000,000	\$7,000,000	\$7,000,000	\$1,900,000	\$0	Restore to \$7 million	\$1,900,000
DOT - Federal Aviation Administration - Research, Engineering And Development, Small Business Innovation Research (SBIR)							
	\$0	\$5,600,000	\$5,700,000	\$0	\$0	Restore to \$5.6 million	*\$0
*The SBIR program was re-authorized in 2017 to provide grant funding through FY2022 from the 11 federal agencies participating in the program							

AFCC submitted the following comments to House and Senate professional staff and appropriators:

AFCC STRONGLY RECOMMENDS restoring discretionary funding for production of alternative fuels in aviation. The President's FY2020 Department of Transportation (DOT) budget request proposed more than a 19% decrease in the discretionary funding. The FY2020 DOT budget requests \$21.4 billion in discretionary spending, down from \$26.5 billion in FY 2019. In the face of this significant decrease programs aimed at improving the sustainability and competitiveness of the USA's transportation system in today's more environmental conscious world need to be protected as they compete with other priorities.

The AFCC is currently focused on alternative feedstocks and fuels for aviation, which are typically derived from biological and renewable resources, and are sustainably produced in the U.S. Their adoption promotes the use of home grown agricultural crops, helping our farmers, advancing innovation, creating jobs, and in turn building the nations biobased economy.

There is growing international demand for these biofuels and mandates in the EU and other areas of the world may require their use in overseas flights and in the U.S. military. Adoption of alternative fuels supports the USA's leadership in green technologies and AFCC strongly recommends funding research for a cleaner and healthier environment.

AFCC STRONGLY RECOMMENDS reinstating funding in the current agency budget for alternative fuels. The Federal Aviation Administration (FAA) agency plays an import role in bringing alternative fuels from the lab to the airport. Activities include setting policy goals and ensuring that the fuels can be safely integrated with aviation equipment and infrastructure. In the past, FAA program funding included specific appropriations for these activities. In recent budgets, the emphasis has changed to place less emphasis on this economically critical area.



A significant portion of the FAA research and development budget is provided from the Airport and Airways Trust Fund, under 49 U.S.C, Subtitle VII, section 48102(a) which was recently reauthorized in 2018 ([H.R. 302](#)). The congressional bill included specific appropriation levels through 2020 (<https://www.congress.gov/bill/115th-congress/house-bill/4/text>). However, the bill enacted did not include those provisions which also specifically listed alternative aviation fuels as a topic for potential funding. The funding decisions and budgets for these programs are determined by an advisory board. In the place of the specific research suggestions, SEC. 742 of H.R. 302 calls for a Technology review by the Administrator of the Federal Aviation Administration, in coordination with the Administrator of the National Aeronautics and Space Administration, of current and planned research on the use of advanced aircraft technologies, innovative materials, alternative fuels, additive manufacturing, and novel aircraft designs, to increase aircraft fuel efficiency. A report from congress is due in October of 2019.

AFCC STRONGLY RECOMMENDS reinstating funding in the current agency budget for alternative fuels in The Environment and Energy (E&E) Program. This Program is a key component of the FAA’s environment and energy strategy, it advances our understanding of aviation noise and emissions at their source, how they propagate and are modified in the atmosphere, and their ultimate health and welfare impacts on the population – both near airports and much farther afield. This knowledge is then incorporated into an integrated aviation environmental tool suite that can be used to evaluate the full breadth of environmental mitigation solutions that are being developed. The aviation environmental tool suite is built upon a sound scientific understanding of aviation noise and emissions as well as their environmental, health, and welfare impacts. The Program is using these models and knowledge to inform decision-making on technology development, operational procedures, and policies relating to aviation’s energy use and environmental impacts. In the past, Programs related to alternative fuels were part of this groups responsibility.

AFCC URGES RESTORING FUNDING up to \$27.8 million for Research Engineering and Development (RE&D), *NextGen—Environmental Research—Aircraft Technologies, Fuels, and Metrics* which is administered by the Research Engineering and Development (RE&D) office.

The stated goal of this program is to increase mobility by reducing environmental impacts of aviation in absolute terms, including those relating to community noise, air quality and global climate change. **The program is focused on maturing aircraft innovative technologies that can reduce aircraft noise, emissions that degrade air quality, greenhouse gas emissions, and energy use and advancing alternative jet fuels.**

AFCC STRONGLY RECOMMENDS crafting legislative language and the agency funding the Federal Aviation Administration Facilities & Equipment Program, because the use of alternative aviation fuel can require infrastructure changes at airports. For example, in some cases the fuel will need to be trucked into the airport rather than arriving from current pipeline networks. New pipelines may be required. The DOT infrastructure project will need to consider these changes. Now is the time for the planning and implementation of these changes as alternative fuels use



becomes more common. Note the alternative aviation fuels are being the norm in many international markets and could be required for U.S. carriers serving these locations in the future. Currently these types of projects are not among those discussed in the agencies request.

AFCC OPPOSES cutting more than \$1 billion from the Capital Investment Grants programs, which goes toward funding major transit projects. The research grants made under this program typically require matching funds. They provide a method for the government to leverage industry and academia investment in new technology. They also support the training of new experts in aviation technology such as alternative fuels technology. These programs are among the first to be cut when budgets are tight. AFCC suggests that a provision be added to the appropriation legislative language, providing that a minimum level of funds be used for this purpose with a level kept within 20% of the historical funding level.

AFCC STRONGLY SUPPORTS funding the Office of the Secretary, Development and Technology, FAA Centers of Excellence (COE) Program for alternative jet fuels and environment research since it is considered the largest DOT program attempting to develop new sustainable alternative fuels. Centers of air transportation excellence established under section 44513 of Title 49 are funded by Airport and Airway Trust under section 48102(a) of title 49. Since its inception, FAA made a major commitment to support multiyear and multimillion dollar research efforts, ensuring coordination and innovation across the university teams that make up the various COEs. This investment has resulted in significant advancements in aviation science, technologies, and technology transfer. There are currently six active established FAA COEs, each with specific research areas. The goal is for each center to become a national resource in a particular area of transportation. The COE program has included over 70 institutions of higher learning and over 200 industry and government affiliates. Through their collaborative efforts, they have conducted research in areas which are critical to the FAA and the flying public.