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Northeast Congressional Delegation Looks to Lead on Transportation and Climate Policy

February 28, 2008 -- As part of a broader effort to lead the nation in addressing U.S. dependence on foreign oil and reducing greenhouse gas emissions from the transportation sector, the Northeast Congressional Delegation was briefed today about strategies to increase the production and use of advanced biofuels and reduce the carbon intensity of motor fuel and home heating oil, while creating significant economic development opportunities in the northeast region.

Congressman William Delahunt (D-MA), who organized the briefing, also announced the release of a report that identifies the northeast as a prime location for the development of advanced biofuel technology, production, and use. "We have a very simple choice. We can continue sending our money and soldiers offshore to fight for our oil addiction, or we can nurture a sustainable alternative fuels industry here that has a multitude of important benefits," said Delahunt.

Titled "*A Northeast Regional Biofuels Action Plan*," the report was written by the New Fuels Alliance and the Northeast Biofuels Collaborative, and funded by the Henry P. Kendall Foundation. It provides a detailed examination of today's petroleum fuel markets, existing biofuel policies in other U.S. states, and the environmental and economic implications of petroleum dependence, dwindling local fuel inventories, and the potential for biofuel market growth.

"The recently passed federal energy bill will have a profound impact on renewable fuel development in this country," said Brooke Coleman, Executive Director of the New Fuels Alliance and primary author of the report, "but it does not provide a direct stimulus to the northeast, which is why I applaud the Northeast Congressional Delegation for leading the effort to address our dependence on foreign oil from both an energy independence and climate perspective."

"Our unique concentration within the Northeast of intellectual and venture capital puts our region at a distinct advantage to lead the way toward meaningful change in northeast fuel markets," added Robert Pratt, Senior VP of the Kendall Foundation. "Particularly impressive is our ability to develop technologies such as cellulosic ethanol which could be a game changer for biofuels use not only in the US, but worldwide."

The report demonstrates that biofuels—renewable fuel derived from agricultural and organic waste materials—can significantly reduce the region's petroleum deficit, thereby increasing employment and tax revenue, and hedging against disruptions in the world oil markets. It also offers both short and long term policy solutions, including the eventual transition to a Regional Low Carbon Fuel Standard (LCFS), that would enhance local economies, reduce air pollution and GHG emissions, and provide a roadmap to energy independence.

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Despite its status as one of the largest consumers of petroleum in the country, the northeast does not have a single oil refinery north of New Jersey. Moreover, none of the six New England states have significant gasoline stocks, leaving the populace at risk to fuel shortages and pump price spikes.

“Limited fuel inventory leaves the region susceptible not just to refinery outages, but also petroleum transport problems,” the report states. “It is not a coincidence that the northeast region experienced the highest pump price spikes in the country following Hurricane Katrina.”

According to Andrew Schuyler, director of the Northeast Biofuels Collaborative, the region is well positioned to drive the next generation of biofuel production, as several R&D leaders in ethanol and biodiesel production are currently headquartered in New England, the focal point of the second largest clean-tech industry in the country. Moreover, feedstock availability for advanced biofuels and biodiesel production could be harvested in a sustainable way throughout the northeast.

The report examines current state and federal alternative fuel initiatives, and provides several recommendations that are designed to facilitate biofuel development throughout the region. Specifically, it encourages regional policy makers to:

- Require an increasing percentage of new vehicles sold in states to be flex-fuel (FFV) – cars and trucks capable of running on virtually any biofuel blend. Automakers including GM, Ford, VW, Toyota and Honda already provide FFVs to the expanding Brazilian automobile market at very little additional cost; 81 percent of vehicles sold in Brazil in 2006 were FFVs;
- Implement fuel performance standards (renewable fuel standards, low carbon fuel standards) to ensure that the fuel market diversifies as more FFVs come online);
- Begin the process of addressing petroleum dependence on a regional level, including the development of a Regional Low Carbon Fuel Standard;
- Establish producer payment programs and state energy crop incentives to attract biofuel production and encourage local feedstock development; and,
- Provide incentives and requirements for alternative fuel corridors along heavily traveled highways.

The Northeast Biofuels Collaborative is a nonprofit coalition that works to advance sensible biofuel policies in the North Atlantic region. The Collaborative is a project of the New Fuels Alliance, a national organization dedicated to educating business leaders, state regulators, grant makers, media outlets, existing advocacy and public interest groups, and the general public about the economic and environmental benefits of non-petroleum fuel production and use.

The report is available at www.nebiofuels.org.

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