# Creating and Communicating the Value Proposition for the Bioeconomy

July 2017

Taite R. McDonald Holland & Knight, LLP



## Noteworthy Successes in the Bioeconomy

#### Over the past decade:

- Commercializing advanced biofuels, biobased products, and renewable chemicals
- Demonstrating commercially viable technology
- 3. Developing feedstock supply chains
- 4. Reducing greenhouse gas emissions and air pollution
- 5. Forging strategic partnerships in the U.S. and abroad
- 6. Creating market pull from the aviation and defense sectors
- Leveraging success in early-stage technologies to expand and diversify the bioeconomy



## Communicating and Marketing the **Bioeconomy's** Value Proposition

- » Underscore job growth potential especially for rural economies
  - Currently supports more than 4 million domestic jobs
- » Highlight progress achieved without government funding or subsidies
  - Successful companies have a strong track record of leveraging public and private sector dollars
- » Communicate the status of technology today and the value of products being developed today versus first generation products and technologies
- » Note the value of energy independence
  - Trump's America First policy aligns with diversifying energy supplies and reducing petroleum imports
  - Defense Department intimately understands the connection between energy dependence and lives lost on the battlefield; see Mattis' <u>Future Fuels</u> report
- » Explain how advancing the bioeconomy drives U.S. innovation, competitiveness, and global leadership



## Outreach to Administration and Congressional Officials

#### » Current Landscape

- House spending bills
  - EERE Cuts \$986 million; cuts BETO funding in half
  - ARPA-E Defunds agency completely
  - DOE loan program Rescinds \$161 million in funding and removes authority to issue loans after October 1<sup>st</sup>
  - USDA loan program Rescinds \$65 million in funding and limits loan authority to \$31 million in a given fiscal year
- » House markup scheduled for today
- » Potential Outcomes
  - Continuing resolution
  - Full budget around the end of 2017
  - Funding and commercialization programs could be severely cut or eliminated without more significant direct industry involvement
  - Heritage Foundation materials could dictate innovative energy outcomes for the Administration if more action isn't taken on Capitol Hill



### Key Capitol Hill Committees

- » Senate Committee on Agriculture, Nutrition and Forestry
  - Full committee
  - Subcommittee on Rural Development and Energy
- » Senate Committee on Appropriations
  - Full committee
  - Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies
  - Subcommittee on Energy and Water Development
- » Senate Committee on Energy and Natural Resources
  - Full committee
  - Subcommittee on Energy
- » House Committee on Agriculture
  - Full committee
  - Subcommittee on Commodity Exchanges, Energy and Credit
- » House Committee on Appropriations
  - Full committee
  - <u>Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies</u>
  - Subcommittee on Energy and Water Development, and Related Agencies
- » House Committee on Energy and Commerce
  - Full committee
  - Subcommittee on Energy and Power



## Example Talking Points

- » Highlight jobs in their district and surrounding districts
- » Promote private sector involvement to date
- » Identify current market pull for technology without government subsidies



- » Educate on lack of government funding to date in your particular sector (e.g. government funding for renewable chemicals is limited)
- » Highlight value for U.S. global competiveness and leadership in innovation and overall job creation potential
- » Promote value of government programs for R&D and removing market obstacles

#### Conclusions



- » Leverage successes to date and learn from lessons of the past
- Clearly communicate value propositions in a conservative and bipartisan manner – this requires some thought but will garner respect and credibility
- » Monitor legislative activities and prepare for continued efforts to dismantle programs that promote energy innovation
- » Communicate directly with members of Congress on behalf of your company – this is now more important than ever

## **Thank You!**

**Taite McDonald** 

Senior Policy Advisor (202) 469-5200 taite.mcdonald@hklaw.com