

# United States Senate

WASHINGTON, DC 20510

January 5, 2007

Dear Colleague,

We write you to discuss an important energy initiative we are continuing in the 110<sup>th</sup> Congress. On Thursday, we introduced S. 155, the Coal-to-Liquid Fuel Promotion Act, and ask you to join us as a cosponsor. We are also announcing the formation of the Senate Coal-to-Liquid Fuel Caucus and ask that you and your staff join us in this informal meeting group that will provide education and promote policies related to coal-to-liquid fuel.

Working with industry and the scientific community, we have put together a comprehensive piece of legislation with the goal of providing the right combination of incentives to create a foundation for coal-to-liquid fuel production in the United States. The bill will create a program, to be led by the Department of Energy and Department of Defense, to plan, finance, test, and purchase coal-to-liquid (CTL) fuels in America. A combination of tax incentives, loan guarantees and long-term purchasing contracts will reduce the risk associated with these plants, stimulate private investment, and create a vibrant domestic marketplace for alternative fuels.

CTL fuel will address three challenges facing our economy. First, it will diversify our energy portfolio and make sure American families are not stuck with double-digit increases in energy bills. Second, it will provide our military with a secure, domestic fuel source. Third, it will create jobs and stimulate growth. Cheaper fuels and electricity will keep our businesses competitive and the construction of these plants will create good, high-paying jobs.

Along with this legislation, we are also creating the Senate Coal-to-Liquid Fuel Caucus. Because of price uncertainty of oil, the actions of OPEC, and the expensive initial investment, private investors are still watching from the sidelines and not investing in CTL technology in the United States. By comparison, South Africa has used this technology for decades to provide more than one third of its transportation fuel needs and just last month, China announced a more than \$100 billion government investment in CTL technology. This caucus will provide support and a forum for further discussion of the domestic development of CTL technology.

We hope you will cosponsor S. 155 and join the Senate Coal-to-Liquid Fuel Caucus. If you have any questions, please don't hesitate to contact our staff: Bill Beaver in Senator Bunning's Office at 224-6857 and Todd Atkinson in Senator Obama's office at 228-6132.

Best personal regards,



JIM BUNNING  
United States Senator



BARACK OBAMA  
United States Senator