



Energy & Environmental Export News

March 2006
Issue no. 4

Published by the Office of Energy and Environmental Industries
U.S. DEPARTMENT OF COMMERCE, International Trade Administration

Inaugural Meeting of Asia-Pacific Partnership Sets Agenda for Clean Energy Development

By Aaron Brickman

In July 2005, President Bush announced The Asia-Pacific Partnership on Clean Development and Climate (APP). Its aim is to promote the development and deployment of cleaner and more efficient energy technologies to curtail the growth of greenhouse gas (GHG) emissions worldwide. It is viewed as a complement to the United Nations Framework Convention on Climate Change (UNFCC) and its Kyoto Protocol. The partnership includes the United States and five Asian-Pacific nations: Australia, China, India, Japan, and South Korea.

Whereas the UNFCC seeks to coordinate an international strategy to combat climate change beginning with quotas on carbon dioxide emissions for developed world countries, the APP focuses on information-sharing about clean energy development, as well as voluntary practical measures that can be taken by the member countries to improve energy efficiency while continuing to promote growth and development.

This focus will mean a concerted effort to create new investment opportunities, build local capacity, and remove barriers to the introduction of clean, more efficient



U.S. Secretary of Energy Samuel Bodman (third from left) and Chairman Jim Connaughton of the White House Council on Environmental Quality (third from right) represent the United States at the inaugural meeting of the Asia-Pacific Partnership on Clean Development and Climate in Sydney, Australia, January 11 and 12.

technologies. The six partners recognize that economic growth and poverty reduction are essential to enhancing environmental stewardship. The APP is intended to be a progrowth initiative that involves developed and developing countries in an effort to reduce the GHG intensity of all partner economies and to develop affordable energy conducive to continued growth. The partnership also respects each country's energy policy.

At the recent inaugural APP ministerial meeting—held this past January in Sydney, Australia—a charter and a work plan were created for this important initiative. Eight industry task forces have

Continued on page 3

**Inside this issue:
Calendar of
Upcoming Events
on page 7**

AWWA Conference to Highlight Mexico's Water Markets

By Ellen Bohon

The Office of Energy and Environmental Industries (OEEI) will host a technical seminar for U.S. companies on "Opportunities in the Mexico's Water Markets." The seminar will be held at the American Water Works Association Annual Conference and Exhibition (AWWA 2006) in San Antonio, Texas, on Sunday, June 11, from 9:00 a.m. to 12:30 p.m. This free workshop will provide U.S. companies with firsthand information on water and wastewater projects in Mexico, financing options, and business development suggestions. It will also provide information on public and private organizations that can assist in export endeavors in Mexico.

The Mexican market for water treatment technologies is estimated to be more than \$470 million, and it enjoys an annual growth rate of nearly 8 percent.

Along the U.S.-Mexico border, Mexico's Public Works Bank and the North American Development Bank plan to allocate \$150 million over the next two years for the construction of new water treatment plants and system improvements. Most U.S. water treatment products and technologies enjoy duty-free status under the North American Free Trade Agreement, which makes this export market particularly attractive to U.S. firms.

To register, please fill out a registration form online at www.awwa.org/ace06/. For questions, please con-

tact Ellen Bohon of OEEI at (202) 482-0359 or ellen.bohon@mail.doc.gov

Also at the conference, the U.S. Commercial Service will host a "Showtime Program." This event will enable U.S. exhibitors to meet with the U.S. embassy's commercial specialists and foreign buyers who are visiting AWWA from more than 15 countries. Meetings will be held at the show site for U.S. exhibitors on June 12 and 13.

For further information on this program, please contact Janice Barlow at (215) 597-6126 or janice.barlow@mail.doc.gov; or contact Miguel Olivares at (954) 356-6640, ext. 11, or miguel.olivares@mail.doc.gov.

For more information on global competitiveness in the U.S. water sector or U.S. Department of Commerce activities at AWWA, please contact Ellen Bohon (see contact information given earlier in this article).



Energy and Environmental Export News is a publication of the Office of Energy and Environmental Industries (OEEI) of the International Trade Administration (ITA), produced with the assistance of the ITA Office of Public Affairs. For more information and to subscribe, please contact:

Marc Lemmond
(202) 482-3509
marc.lemmond@mail.doc.gov

Or contact a member of the Energy and Environmental team:

Office of Energy and Environmental Industries
International Trade Administration
Room 4053
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230
Tel: (202) 482-5225
Fax: (202) 482-5665
Web site:
www.environment.ita.doc.gov

Information in *Energy and Environmental Export News* regarding trade events, commercial opportunities, and specific organizations does not constitute formal U.S. Commerce Department endorsement unless otherwise noted. All information published in *Energy and Environmental Export News* regarding trade events is subject to change without notice by the organizers of those events.

Asia-Pacific, from page 1

been created by APP member countries, through which much of the initiative's work will proceed. Those task forces are (1) Cleaner Fossil Energy, (2) Renewable Energy and Distributed Generation, (3) Steel, (4) Aluminum, (5) Cement, (6) Coal Mining, (7) Power Generation and Transmission, and (8) Buildings and Appliances. The United States will lead Task Forces 6 and 7 and will play a significant support role in Task Forces 4 and 8. The U.S. Department of Commerce (DOC) will lead U.S. government efforts in Task Forces 2 and 4. There will be ample opportunity for industry stakeholders to provide input into the work of all eight task forces.

U.S. efforts, as part of the APP, will be led by the Departments of State, Energy, and Commerce, as well as

the EPA. President Bush has asked Secretary of State Condoleezza Rice and Secretary of Energy Samuel Bodman to take the lead in implementing the five-year initiative. The DOC will continue to play a leadership role in coordinating interagency project-related efforts.

Within the DOC, the Office of Energy and Environmental Industries (OEEI) is playing a lead role, along with the Trade Promotion Coordinating Committee, U.S. and Foreign Commercial Service, and Market Access and Compliance. The DOC will work to ensure a strong private sector component to this important new initiative and will play a key role in developing U.S. action items proceeding from the meeting in Sydney.

The initiative is still in its early stages, and the details on the work to be undertaken by Task Forces will be forthcoming. Commercial opportunities will be highlighted in the areas of renewable energy, clean energy, and energy efficiency. Opportunities will also be highlighted in terms of creating efficiencies in a variety of manufacturing processes, particularly regarding cement, buildings, appliances, and use of aluminum and steel.

Selected APP-related documents are housed on the State Department's Web site for your review at www.state.gov/g/oes/climate/c16054.htm. For more information on the role of the DOC, please contact Aaron Brickman of OEEI at (202) 482-1889 or via e-mail at aaron.brickman@mail.doc.gov.

Introduction to the Energy Sector Trade Advisory Committee

By Sam Beatty

The Department of Commerce's Office of Energy and Environmental Industries (OEEI) organizes the meetings for the Industry Trade Advisory Committee on Energy and Energy Services (ITAC 6). This committee meets several times a year in Washington, D.C. Meeting topics during the past year have included North American energy integration issues under the Security and Prosperity Partnership of North America; the energy services negotiations of the WTO and the energy provisions of free trade agreements being negotiated by the

United States with other nations. ITAC 6 is 1 of 16 industry trade advisory committees jointly administered by the DOC and the Office of the U.S. Trade Representative (USTR). It provides policy and technical advice to the DOC and the USTR on negotiating objectives and bargaining positions for trade agreements and on operation of trade agreements entered into by the United States. It also provides advice about other matters pertaining to the development, implementation, and administration of U.S. trade policy. U.S.

citizens interested in serving as ITAC 6 members must represent U.S. energy firms that internationally engage in manufacturing goods or services. To learn more about the ITAC 6 membership application process, please contact Angela Calzada of the DOC Industry Trade Advisory Center at (202) 482-1110 or Sam Beatty of OEEI at (202) 482-4179.

Membership information can also be found online at www.export.gov/itac.

Ex-Im Bank Program Offers Aid to Environmental Exporters

By Craig O'Connor

The Export-Import Bank of the United States (Ex-Im Bank) offers special support to increase the financing and sales of U.S. environmental goods and services exports. Ex-Im Bank now offers a loan guarantee program in which banks can offer loans to foreign buyers of U.S. goods and services with repayment terms up to 15 years for renewable energy and water projects. Loan guarantees carry the full faith and credit of the U.S. government to banks that participate under its Master Guarantee Program.

Lack of working capital is one of the biggest barriers facing U.S. small business trying to produce goods or provide a service for export. The Ex-Im Bank's Working Capital Guarantee Program enables commercial lenders to give working capital loans to U.S. exporters for various export-related activities by substantially reducing the risks associated with those loans. The exporter may use the program to purchase raw materials and finished goods for export; to pay for materials, labor, and overhead to produce goods for export; and to cover stand-by letters of credit, bids, and performance bonds.

Offering financing or credit terms is often the most critical element in competing for, and winning, export sales. Increasingly, foreign buyers expect U.S. suppliers to offer "open account" or unsecured credit terms rather than pay by letters of credit, which may be expensive, or by cash in advance. Short-term interest rates are quite high in many foreign mar-

kets, so offering customers U.S. dollar credit in interest rates of single digits can mean a dramatic increase in sales to those customers.

The Ex-Im Bank's Small Business Export Credit Insurance Program insures against commercial and political risks, which, in turn, enables U.S. environmental exporters to offer up to 360 days of open account financing to their international customers. The Ex-Im Bank insures 95 percent of the credit if the foreign buyer cannot pay for commercial reasons, such as bankruptcy, and 100 percent if the buyer cannot pay because of political reasons, such as war. One of the best benefits of the program is that exporters can assign their Ex-Im Bank-insured receivables to a U.S. commercial bank and get paid immediately. The commercial bank receives from the Ex-Im Bank an "enhanced assignment," which states that, by taking assignment of the insured receivables, the commercial bank will be covered against both exporter non-performance, as well as foreign buyer default.

Southwest Winpower Inc. and Kimre Inc., which are renewable energy and environmental technologies firms, have used the Ex-Im's services to enhance their export efforts.

Southwest Windpower Inc. is a small business manufacturer of battery-charging, wind-powered generators. Since 1996, it has used the Ex-Im Bank's environmental export credit insurance to sell its products to small foreign distributors in developing markets, including Brazil, India,

South Africa, and Turkey. The Ex-Im Bank's insurance enables the company to offer its foreign buyers open account terms, which allows buyers to place larger orders. "The results have been tremendous," said Andrew Kruse, vice president of Southwest Windpower. "Last year, more than 50 percent of our revenues came from export sales. Our products are sold in more than 50 countries. Ex-Im Bank is a strategic partner in expanding our export sales."

Kimre Inc. is a small business manufacturer of air pollution control filters. It uses the Ex-Im Bank's short-term insurance to expand its export sales. With the Ex-Im Bank's insurance, Kimre can offer 60-day, open-account credit to customers in Europe and throughout the world. According to Kimre, "Ex-Im Bank's insurance has provided us with two important benefits. First, the insurance enables us to offer open account credit to our foreign customers. This account replaces payment by letters of credit that are both expensive and time consuming. Second, having Ex-Im Bank's insurance on our foreign receivables has enabled our bank to increase our credit lines that we needed to grow our business."

For more information on the Ex-Im's Environmental Exports Program, visit www.exim.gov or contact Craig O'Connor, director, Environmental Exports Program, at (800) 565-3946, ext. 3556, or craig.oconnor@exim.gov.

International Trade Administration Launches Coal Team

By Shannon Fraser

Coal provides 52 percent, or approximately 2,000 billion kilowatt hours, of America's energy needs. It has played an ever-increasing role as a source of power generation in light of recent spikes in natural gas and oil prices. Coupled with the increase of coal's contribution to international energy demand, the advancements made in coal synfuels, carbon sequestration and hydrogen production, and coal bed methane have revolutionized the concept of "king coal" around the globe.

To address the increasing awareness and advancement of coal's role in supplying both U.S. and global energy needs, the International Trade Administration (ITA) launched its Coal Team in December 2005. The Coal Team is one of the four energy sub-sectors under the ITA's Energy Team. Working through the energy and trade promotion divisions of the Department of Commerce (DOC), the Coal Team advocates for the U.S. coal industry by partnering with trade associations, government agencies, and research institutions to further coal's role in the U.S. economy while targeting coal export opportunities worldwide.

The Coal Team is led by Shannon Fraser, the coal industry specialist in the DOC's Office of Energy and Environmental Industries, and Bill Lawton, a senior Foreign Commercial Service officer, who has extensive experience in the energy and China markets.

Membership in the Coal Team is open to all parties involved in coal and energy developments and currently includes representatives from the DOC worldwide, the Department of Energy, Department of State, the Environmental Protection Agency (EPA), national and regional coal associations, and numerous companies involved in various aspects of the coal industry.

The Coal Team publishes a monthly newsletter titled *Coal News and Trends*, which highlights coal trade shows and presentations, coal-related trade leads, relevant policy summaries and articles affecting the U.S. coal industry, and industry analysis and viewpoints.

Coal News and Trends serves as a communication forum for the coal industry, as well as the U.S. government. Members of the coal industry are contributing articles on U.S. coal exports and foreign investment in the U.S. coal industry, while global DOC staff members are contributing market analysis on the coal industry in their respective host countries.

Members of the coal industry have presented a series of "webinars" (Web-based educational seminars with a conference call component) to provide DOC trade and energy specialists with the expert coal knowledge required to facilitate the overseas use of U.S. coal products and technology. In the upcoming months, those webinars will expand to encourage increased

industry participation by serving as a forum where U.S. and Foreign Commercial Service officers can provide international market analysis to industry participants.

Partnering with the organizers of the 23rd Annual Coal Prep Show, which takes place in Lexington, Kentucky, May 1–5, 2006, the Coal Team will provide a presentation on "Managing Risk and Preparing Realistic International Strategies in 2006 and Beyond." The team will also provide one-on-one counseling for U.S. coal companies exploring export opportunities. In addition, the Coal Team will be reaching out to the U.S. coal industry at the 31st Annual Clearwater Conference in Clearwater, Florida, May 21–25, 2006, by providing a tutorial titled "Doing Business in China." Additional activities and seminars continue to be explored.

Companies, associations, and individuals interested in receiving additional information on the Coal Team or global industry competitiveness should contact Shannon Fraser of OEEI at (202) 482-3609 or shannon.fraser@mail.doc.gov.

Environmental Technologies Advisory Panel Holds First Meeting of 2006

By Ellen Bohon

On Jan. 13, 2006, at the U.S. Department of Commerce in Washington D.C., the Environmental Technologies Trade Advisory Committee (ETTAC) held its first plenary session of the year.

ETTAC is an industry committee that advises the U.S. government on policies and programs to expand U.S. exports of environmental goods and services. Its members include senior-level executives of U.S. environmental technologies companies and trade associations representing the U.S. environmental industry. The companies are small, medium-sized, and large; are geographically dispersed across the United States; and represent all technology and service segments of the sector. The committee meets three to four times per year.

The January meeting featured presentations on a variety of topics, including a briefing by Jamie P. Estrada, the newly appointed deputy assistant secretary of commerce for manufacturing, as well as presentations on global carbon trading, the EPA's Methane to Markets Initiative, the Ex-Im Bank's Environmental Exports Program, the EPA's Environmental Technologies Verification Program, and the European Union's waste initiatives. Attendees also received an update from the Office of the U.S. Trade Representative (USTR) on the latest round of negotiations in the World Trade Organization (WTO).

All ETTAC meetings are advertised in the *Federal Register* and are open to the public. Meeting summaries are available from the Office of

Energy and Environmental Industries at (202) 482-5225.

For more information on ETTAC and its recommendations, please visit www.environment.ita.doc.gov and click on "Advisory Committee," or contact the environmental technologies team leader, Joseph Ayoub, at (202) 482-0313 or joseph.ayoub@mail.doc.gov. The next ETTAC meeting is planned for May 12, 2006.



UPCOMING EVENTS

Waste Expo

April 4–7, 2006
Las Vegas, Nevada
Contact: Susan Simon
Tel: (202) 482-0713
E-mail: susan.simon@mail.doc.gov
Web site: www.wasteexpo.com

Export-Import Bank of the U.S. Annual Conference

April 6–7, 2006
Washington, D.C.
Contact: Joseph Ayoub
Tel: (202) 482-0313
E-mail: joseph.ayoub@mail.doc.gov
Web site: www.exim.gov/news/annualconf/annual_conf_2006.html

Annual Conference of the Institute of Clean Air Companies

April 20–22, 2006
Horseshoe Bay, Texas
Contact: Marc Lemmond
Tel: (202) 482-3889
E-mail: marc.lemmond@mail.doc.gov
Web site: www.icac.com/i4a/pages/index.cfm?pageid=3313

Environmental Technologies Trade Mission to Southeast Asia

April 24–May 3, 2006
Thailand, Malaysia, The Philippines
Contact: Marc Lemmond
Tel: (202) 482-3889
E-mail: marc.lemmond@mail.doc.gov
Web site: www.buyusa.gov/tennessee/23.html

Coal Prep 2006

May 1–5, 2006
Lexington, Kentucky
Contact: Shannon Fraser
Tel: (202) 482-0165
E-mail: shannon.fraser@mail.doc.gov
Web site: <http://coalaggprepshow.com/>

Environmental Technologies Trade Advisory Committee Meeting

May 12, 2006
Location to be determined
Contact: Joseph Ayoub
Tel: (202) 482-0313
E-mail: joseph.ayoub@mail.doc.gov
Web site: www.environment.ita.doc.gov

Clearwater Coal Conference

May 21–25, 2006
Clearwater, Florida
Contact: Shannon Fraser
Tel: (202) 482-0165
E-mail: shannon.fraser@mail.doc.gov
Web site: www.coaltechnologies.com/

AWWA Annual Conference

June 11–15, 2006
San Antonio, Texas
Contact: Ellen Bohon
Tel: (202) 482-0359
E-mail: ellen.bohon@mail.doc.gov
Web site: www.awwa.org/ace06/

Annual Conference of the Air and Waste Management Association

June 20–23, 2006
New Orleans, Louisiana
Contact: Marc Lemmond
Tel: (202) 482-3889
E-mail: marc.lemmond@mail.doc.gov
Web site: www.awma.org/ACE2006/default.asp