



**MEMORANDUM OF UNDERSTANDING**  
**between the**  
**DEPARTMENT OF AGRICULTURE**  
**and the**  
**DEPARTMENT OF THE NAVY**

**I. Purpose and Basis for this Memorandum of Understanding**

This Memorandum of Understanding (Agreement) formalizes a relationship between the United States Department of the Navy (DON) and the United States Department of Agriculture (USDA) (hereinafter collectively referred to as "the Parties").

This Agreement establishes that the Parties agree to encourage maximum use of renewable energy, including outreach to other Federal, State, Local, and Tribal entities, as well as private entities, with the goal of providing technical assistance and financial products to these entities for the development of advanced biofuels and other renewable energy systems. The Federal Government, States, local governments, counties, utilities, private sector, non-governmental organizations, and other entities must all take steps to decrease nationwide energy use through the investment in and effective utilization of new, more efficient technologies, while also emphasizing the development of renewable energy projects.

Through this Agreement, the Parties will work together to support President Obama's initiative to reduce energy consumption derived from fossil fuels, and to increase energy production from renewable energy sources. Today, the United States depends on imported fossil fuels to meet over 60 percent of its energy needs. This dependence leaves the United States vulnerable to supply disruptions and highly volatile energy prices. Fortunately, the United States has abundant natural resources, including wind, solar, hydrokinetic, ocean thermal, and geothermal sources for electricity generation, and land for energy crops that can be refined into biofuels to meet both commercial and military transportation needs. The Parties are in agreement that developing the United States' renewable energy economy promises to make the United States a global leader in the production of sustainable, clean, and economically beneficial energy.

## **II. United States Department of Agriculture**

USDA has a variety of programs and services that support the President's renewable energy initiative in the following areas:

### **Rural Development**

Rural Development administers a variety of programs focused on developing renewable energy systems / energy efficiency improvements. These programs are delivered through the National Office, 47 Rural Development State Offices, and a network of other field offices.

### **Farm Service Agency**

The Farm Service Agency (FSA) administers the Biomass Crop Assistance Program (BCAP), which is authorized by Title IX of the 2008 Farm Bill. BCAP is intended to support the establishment and production of crops for conversion to bioenergy in project areas and to assist with the collection, harvest, storage, and transportation of eligible material for use in a biomass conversion facility. As a new energy program, BCAP presents an opportunity to encourage landowners and operators to produce biomass for commercial energy production in ways that are both economically and environmentally sound. BCAP is administered through FSA's national office, 47 FSA state offices, and more than 2,000 county service centers.

### **Research, Education, and Economics**

The Research, Education, and Economics mission area has a comprehensive bioenergy research program built on the complementary capacity of its four component agencies and focused on providing scientific knowledge, analysis, and statistics to support the development of an economically and environmentally sustainable bioenergy industry. At Agricultural Research Service laboratories and under a National Institute for Food and Agriculture (NIFA) competitive grant program, scientists conduct research focused on development of new varieties and hybrids of bioenergy feedstocks with optimal traits, new optimal production practices, and systems that maximize the sustainable yield of high-quality bioenergy feedstocks and new commercially preferred biorefining technologies.

## **III. Department of the Navy**

DON recently established the Naval Energy Office to respond directly to President Obama's energy challenge. This office will develop and employ proven business models and investment strategies that leverage public and private investment to achieve Naval, Defense, and National Energy goals. DON is focusing on adapting emergent power management and smart grid architectures for naval installations, while seeking to accelerate investments in renewable energy, advanced biofuels, and infrastructure for Navy and Marine Corps installations and regions.



#### **IV. Mutual Agreement**

USDA and DON mutually agree to:

1. Share technical, program management, and financial expertise in actions undertaken by the Parties in support of renewable energy projects, pilots, and programs.
2. Cooperate in developing a mutually reinforcing strategy and plans to implement renewable energy programs, pilots, and initiatives.
3. Collaborate on funding and execution of applicable elements to projects, to the extent permitted by existing regulations and authorities.
4. Support establishment of evaluation and implementation venues which develop advanced biofuels and renewable energy processes that are sustainable from an economic, social, as well as environmental perspective.
5. Maintain confidentiality of data and information obtained during the planning and conduct of projects, pilots, and initiatives. Confidential data or information shall not be made available to other persons, except as authorized or required by USDA or DON under the Freedom of Information Act and the Privacy Act.
6. This Agreement may be amended at any time by mutual agreement of the parties in writing, or terminated by either party upon 30 days notice in writing to the other party.

#### **V. Points of Contact**

USDA and DON employee Points of Contact for planning and conduct of specific follow-on activities conducted under the auspices of this Agreement shall be designated in a separate supplemental or follow-on Memoranda of Understanding developed for those specific activities. The Points of Contact for this Agreement are:

USDA – Bill Hagy, Director of Alternative Energy Policy

DON – Chris Tindal, Office of the Principal Deputy Assistant Secretary of the Navy  
(Installations & Environment)

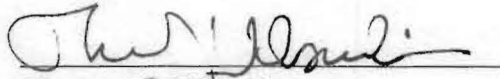
#### **VI. Effective Date**

All conditions and provisions of this Agreement shall become effective upon execution by both Parties.

#### **IX. Limitations**

This document is a Memorandum of Understanding only. It is entered into only as a declaration of present intent. Nothing herein shall be construed as a legally binding commitment to any part of parties hereto either individually or collectively. This Agreement does not create any rights, either on the part of any party hereto or any third party. Any provision of this Agreement that conflicts with federal law will be null and void.

**X. Approvals**



Thomas J. Vilsack  
Secretary  
Department of Agriculture

Date: 1/21/2010



Ray Mabus  
Secretary of the Navy

Date: July 21, 2010