

# MALMSTROM AIR FORCE BASE COAL-TO-LIQUID FUEL PLANT OPPORTUNITY

## COMMUNITY UPDATE #1

January 4, 2008

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Dear Great Falls Community,

This is the first monthly Community Update for the Malmstrom Air Force Base Coal-to-Liquid (CTL) Fuel Plant opportunity. My staff and I look forward to keeping you informed of developments regarding this exciting and landmark initiative, which could yield numerous benefits for our military.

The men and women of your United States Air Force are engaged in operations worldwide taking the fight to the enemy on the front lines of the Global War on Terror, defending the homeland, providing strategic deterrence, and giving our nation unparalleled global vigilance, reach and power.

The Air Force is also doing its part to address another national security concern: energy dependence.

Global energy demand is growing and fueled by the stunning economic expansion of China and India. Meanwhile, global petroleum reserves continue to dwindle and large portions of those reserves are controlled by regimes not necessarily friendly to the United States. This results not only in financial challenges for our nation, which must face rising petroleum costs, but also harms national security by empowering hostile states due to rising prices.

President Bush has challenged our nation to wean itself off its addiction to foreign oil, and your Air Force is leading the way to meet that challenge. We started by creating an energy vision: *To Make Energy a Consideration in Everything We Do*. From that vision, we have adopted a three-part energy strategy of increasing supply, reducing demand and changing the Air Force culture on how we think about energy.

We have moved aggressively over the last two years to advance the exploitation of alternative energy sources and accelerate conservation efforts. Probably the most well known of our efforts has been our program to test, certify and fly the Air Force fleet on synthetic jet fuel.

We've only begun to scratch the surface, and that's where you come in.

The Air Force is exploring the possibility of leasing underutilized property at Malmstrom Air Force Base to a private developer for the construction of a coal-to-liquid plant which

will produce the same synthetic fuel we intend to use for our aircraft fleet. If successful, this opportunity will bring new jobs and capital to the city of Great Falls. This plant will meet state and federal safety standards and will be designed to minimize environment impact by using state-of-the-art clean coal technology. Finally, it would not adversely impact Malmstrom's current missions or the quality of life of the installation's Airmen.

We are engaging in this initiative because we see tremendous potential not only for the Air Force but for our nation. Malmstrom sits close to some of the richest and most abundant coal resources in the world and is close to a major river and crucial rail transportation system. This opportunity could be the catalyst for further commercial coal-to-liquid projects across the country, bringing the United States closer to energy independence.

But we can not do this on our own. We want to bring our proposal to the community of Great Falls and earn your support for this initiative. We want you to tell us your thoughts and concerns. The Air Force is committed to working with your elected officials and community stakeholders to address any issues or concerns you may raise. Toward this end, we will hold a town-hall meeting January 30, 2008, to present our vision and give you the opportunity to make your voice heard. An industry forum for potential business partners will be held on January 31, 2008. You will also find attached to this message a fact sheet which describes the coal-to-liquid opportunity.

I want to thank you in advance for participating in this effort that will start to develop in the coming months. Together, we hope we can achieve a new source of clean, domestically produced fuel.

Sincerely,

WILLIAM C. ANDERSON  
Assistant Secretary of the Air Force  
Installations, Environment and Logistics