

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DEPARTMENT OF AGRICULTURE
AND
THE DEPARTMENT OF ENERGY
AND
THE NATIONAL DEVELOPMENT AND REFORM COMMISSION
OF THE PEOPLE'S REPUBLIC OF CHINA
ON COOPERATION IN THE DEVELOPMENT OF BIOFUELS**

The Department of Agriculture (USDA) and the Department of Energy (DOE) of the United States of America, acting jointly, and the National Development and Reform Commission (NDRC) of the People's Republic of China, hereinafter the "Participants",

Acknowledging that developing fuels that utilize biomass resources is an important way to significantly reduce fossil fuel consumption, promote the agricultural sector, and support rural development,

Recognizing the important role played by other government entities in both countries in the area of biofuels development, and the benefits expected from their potential collaboration in any future projects covered by this Memorandum of Understanding (MOU), in pursuit of enhancing long-term cooperation between the United States of America and the People's Republic of China (hereinafter "China") in the development of biofuels, and

Desiring to cooperate on the basis of equality, reciprocity and mutual benefit,

Have reached the following understanding:

1. Scope of Cooperation

The Participants intend to cooperate with each other in the field of biofuels and biochemical products on the basis of equality, reciprocity and mutual benefit. Cooperation may include, but is not limited to the scientific, technical and policy aspects of: biomass and feedstock production and sustainability, biomass and feedstock conversion technology and engineering, bio-based product development and utilization standards, and rural and agricultural development strategies.

2. Subjects of Cooperation

The Participants intend to develop a work plan to define the scope of their proposed collaborative activities under this MOU. The work plan may be revised as mutually determined by the Participants.

Specific areas of cooperation to be included in this work plan may include, but are not limited to:

First: establishment of the methodology and index system for a biomass resource assessment suitable for conditions in both countries, and the formulation of a united assessment standard.

Second: exchange of scientific and technical information on the development of biomass feedstock production (including breeding and planting technologies of quality feedstock seeds), feedstock-to-biofuels conversion processes; and cellulosic ethanol technology.

Third: technical information exchange on biofuels and bio-chemicals.

Fourth: strategic studies on promoting agricultural development for biomass feedstock on a voluntary basis.

Fifth: exchange of technical information on the rural development aspects of biofuels development in China and the United States.

Sixth: establishment of a bilateral dialogue on biofuels, focusing discussion on United States-China biofuels cooperation, capacity building, and information exchange.

3. Joint Working Group

The Participants intend to establish a Joint Working Group composed of representatives from USDA, DOE and NDRC. Each Participant is to identify a point of contact responsible for coordination. The Joint Working Group should review the work plan on an annual basis. However, when such a meeting can not be arranged, changes to the work plan may also be made in writing by mutual determination.

4. Participating Organization

The offices designated to coordinate cooperation under this MOU are the USDA Foreign Agricultural Service, the DOE's Office of Energy Efficiency and Renewable Energy, and the NDRC Department of International Cooperation. NDRC plans to coordinate the participation of other Chinese Government ministries under this MOU. The USDA and DOE plan to coordinate the participation of other United States Government agencies under this MOU.

5. General

Cooperative activities to be conducted under this MOU may be set out in greater detail by the Participants in writing in subsequent implementing arrangements. Each Participant should bear the costs of its participation in all cooperative activities carried out under this MOU unless the Participants establish other arrangements in writing.

Each Participant's participation in the cooperative activities under this MOU is subject to the availability of funds, resources, and personnel and is to be conducted in accordance with the laws and regulations of that Participant's government.

This MOU does not create any legally binding obligations between the Participants.

Cooperation under this MOU may commence from the date of signature. This MOU may be revised by mutual determination of the Participants in writing. A Participant should endeavor to give the other Participants at least 6 months notice of its intention to end its cooperation under the MOU and the Participants should continue to work together to conclude specific cooperative projects already in progress.

Signed at _____, the 10th day of December, 2007, in duplicate in the English and Chinese languages.

For the
Department of
Agriculture of the
United States of
America:

For the
Department of Energy
of the United States of
America:

For the
National Development
and Reform
Commission of the
People's Republic of
China: