

2008 Annual Report of the President

For the

Council of Industrial Boiler Owners

October 23, 2008

Francis Marion Hotel

Charleston, South Carolina

CIBO's 30th Anniversary Meeting is a milestone marker of time. Over these 30 years, we have seen a new generation of members build upon the CIBO foundations set by Bill Marx and the original members; built with their lessons learned through experience and passed down through CIBO. Some of these Honorary Members are here with us today; and, they can talk about those experiences. Over these 30 years we have experienced Fuel shortages, embargos and Natural Gas Bubbles; Clean Air Act Amendments and more Amendments; all kinds of fuel use concerns, technology innovations and applications, roadblocks and hurdles; Business Boon and Bust Cycles; five (5) Presidential changes (good and bad); two (2) major Congressional Changes (good and bad); and a change in energy perception from science/engineering based to social/politically based. Yet there is one thing that has not changed, you still can not do anything without energy. And, as such, the reason for CIBO today is as important, if not more important, than what it was in 1978.

The knowledge and understanding of the fuels and equipment diversity within Industrial, Commercial and Institutional (ICI) Energy and how to make and use that energy in an environmentally responsible and efficient way have been CIBO's strength and the hallmark of our success. With energy supply, environmental regulation and financial uncertainty at levels beyond anything experienced before and Climate Change driving a direct link between energy and environmental concerns, the stage is set for the next 30 years; and, CIBO is ready.

To date, 2008 has been another very good year. Participation is up in all areas of CIBO activity; and our activity has expanded and surpassed even that of last year. As you have heard from the Membership Committee and Carl Bozzuto, our Treasurer, we continue to hold our own and do better than

could be expected considering the financial state of the country and regulatory uncertainty holding back energy and environmental projects. CIBO continues to expand its leadership position on all the major industrial issues due to the open and candid participation of the top energy and environmental experts in the country -- every one of you, our Board of Directors, our committee leaders, those who read everything, write drafts, provide comments and immediate feedback, our staff, Bracewell and Giuliani, and our outside advisors and consultants. You are the key to our success and accomplishments. Thank you.

CIBO staff; BJ, Candy and, Gail, are my direct support. They have been able to handle an increased work load with 5 major meetings from June through October and two more quarterly meetings and an increase in issue activity. Our job, for you, is to make what you want happen. And, they can do it. Next year's meeting and conference schedule is set; four quarterly meetings at the new hotel in Crystal City; one FBC Conference, in Hershey, PA, in June; our Industrial Emission Control Technology Conference in Portland, ME, at the beginning of August; and, our 31st Annual Meeting, in San Antonio, TX, next October. This looks to make this coming year another very good year. And again, as I say every year, I like to tell our members, you tell me what you would like to do or see, and we will do everything we can to make it happen. Members always have priority. We are here for you. If there is ever a case where we don't live up to that, I want to know.

As we set the stage for next year, Climate Change, Energy Efficiency, Boiler MACT II, Health Based Compliance Alternative, the CISWI Fuel/Waste definition and RCRA Ash Re-Classification will be significant drivers for our activity. Climate Change will continue to permeate everything we do. The linkage of energy and environmental issues and technology is our strength. And, that strength will be tested, possibly beyond anything we have experienced, with the new administration to be elected in 12 days. However, I am optimistic that we have the knowledge and experience to determine what is needed and plot a course for moving our interests forward and achieving positive results.

With your continued help and support, we are looking to another great year in 2009.