

June 4, 2008

The Honorable Harry Reid Majority Leader United States Senate Washington, DC 20510

The Honorable Steny Hoyer Majority Leader U.S. House of Representatives Washington, DC 20515 The Honorable Mitch McConnell Minority Leader United States Senate Washington, DC 20510

The Honorable John Boehner Minority Leader U.S. House of Representatives Washington, DC 20515 444 North Capitol Street, NW Suite 401 Washington, DC 20001-1512

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Dear Majority and Minority Leaders:

On behalf of the Midwestern Governors Association, we write to encourage collaboration with states on any federal greenhouse gas reduction policy. Formulation of national policy needs to recognize advice and input from regional representatives. Since a national policy on greenhouse gas reductions will have a dramatic impact on all regions, the Midwest must be directly involved in formulating any national policy to reduce greenhouse gas emissions.

The Midwest possesses world-class renewable energy resources that support rapidly growing wind energy, ethanol and biodiesel industries, as well as cellulosic and woody biomass potential. Additionally, our respective states have vast and secure coal reserves and extensive geological reservoirs for storing carbon dioxide, along with pioneering experience with the capture of carbon dioxide for use in enhanced oil and gas recovery. We are also national leaders in the agricultural and forestry communities in methane mitigation and terrestrial carbon sequestration programs and practices.

For a national policy to succeed, agreement is needed on issues such as energy efficiency, low-carbon transportation fuels, renewable electricity production, and advanced coal with carbon capture and storage. We believe that any national policy should similarly combine economic and technology development programs with flexible, market-based requirements. We further believe that the Midwestern region should play a role in the national debate over those agreements.

It is important that any national policy also integrate previous state and regional action to reduce greenhouse gas emissions, including credit for past and present reductions. Further, as a region with significant agricultural and carbon-emitting sectors, a continued effort is needed to maximize economic and employment benefits for affected sectors, while minimizing transitional job losses. Additional funding for research, demonstration and deployment of more efficient, low-carbon and domestically-produced energy sources must continue to play a major role in the discussion on emission standards and needs to be a significant factor in any proposed legislation.

We look forward to working with you and your staffs as you advance federal legislation on greenhouse gas emissions. As many of the proposals for a national plan to decrease these emissions have unique regional impacts, we urge you to confer with us on legislation reducing greenhouse gas emissions to minimize negative regional impacts. Please contact Jesse Heier, Washington Director, if you require any assistance or have any questions. He can be reached at either 202-624-5460 or at <a href="mailto:iheier@csg.org">iheier@csg.org</a>.

Sincerely,

M. Michael Rounds

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Governor of South Dakota and Chair, Midwestern Governors Association Jennifer Granholm

Governor of Michigan and Vice Chair, Midwestern Governors Association

Cc: Midwestern Congressional Delegation

Senator Barbara Boxer, Chair, Environment and Public Works Committee Senator James Inhofe, Ranking Member, Environment and Public Works Committee