



WESTERN GOVERNORS' ASSOCIATION

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July 6, 2009

Mr. Duane Parde, President
National Taxpayers Union
108 North Alfred Street
Alexandria, Virginia 22314

Dear Mr. Parde:

We are writing to correct your repeated false characterizations of Western Governors' Association practice and integrity with regard to work on the Western Climate Initiative (WCI) and to insist that you cease such characterizations and insinuations immediately.

In your June 15 letter to former WGA Chair Governor Jon Huntsman, Jr. and your June 17 press release you suggested that general membership contributions of Western Governors have been used to support the activities of the WCI despite the fact that WGA voluntarily provided detailed records that specifically, categorically and conclusively show that all monies used to support WCI have been specifically designated for this project. At no time have WGA dues or any other WGA funds been used to supplement this work.

In your letter, you asked four questions that insinuated taxpayer expense and action by WGA without the knowledge of Western Governors. These accusations are false.

- 1) WCI is an independent project affiliated with the WGA. This is common practice for the WGA, as indeed it is for other associations of governments. In its 25 years, WGA has worked on a variety of separately funded projects with a subset of Western Governors. In addition to the WCI, the following organizations and projects are currently affiliated with the WGA:

- [Western Interstate Energy Board](#)
- [Western Regional Air Partnership](#)
- [Western States Water Council](#)
- [Western Interstate Commission for Higher Education](#)
- [Western Renewable Energy Generation Information System](#)
- [Western Forestry Leadership Coalition](#)

WCI was undertaken as an independent yet affiliated organization of WGA and some WGA staff work on the WCI project on a contractual basis. This arrangement was known, approved and sanctioned by all voting WGA member Governors at their Annual

Meetings, and reviewed and approved by the Governors' Staff Council at each of their quarterly meetings, since 2007.

- 2) WGA provides organizational support services to WCI on a contractual basis. Staff, overhead and other costs are strictly segregated and separately funded through WCI-specific sources. As was shown in the records provided, no WGA member dues have ever been used to support WCI. It is unfortunate that you find it "difficult to see how tax dollars from non-WCI states did not subsidize this process." Nevertheless, this is the case.
- 3) All Governors, acting as the WGA Board of Directors, were of course made fully aware of all contracts that WGA entered into. As with any such organization, the Board of Directors has a legal and fiduciary responsibility to be informed of all such relationships and to suggest that they did not perform this responsibility is a serious matter.
- 4) WGA has already provided complete records of financial support for any WGA activities related to the WCI. These documents have shown that no WGA member dues were used to fund WCI activities. To date, over \$3.5 million has been contributed to WCI while project expenses so far total \$2 million. At no time have WGA dues from any of our member states, including WCI Partner and Observer states, been used to support work on this project. WGA provided this documentation to Mr. Chesser many months ago, yet you and Mr. Chesser chose to publicly spread accusations you knew to be false. It is particularly disturbing that you were provided with this extensive documentation and then you chose to release only selected parts of it with your letter. Even more irresponsibly, upon receiving the information, neither you nor Mr. Chesser followed up to discuss any questions or concerns.

In addition to your assertions being incorrect, your characterization of the WCI project and the Western Governors is incorrect. Thirteen of the 19 Western states – more than two-thirds – are either Partners or official Observers of the WCI. But whether or not some of our Governors agree with a WGA-affiliated project is beside the point. Each of us gladly supports the right of any of our colleagues to organize themselves to discuss and develop responses to the pressing issues of the day and we are pleased if WGA can provide a forum for independently funded efforts to this end.

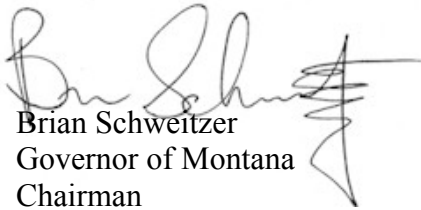
Your false accusations are offensive to Western Governors. In our many years of combined experience with WGA, we have known the organization to operate in an exemplary professional manner to represent the interests of its member states. WGA maintains the highest integrity and strict financial accounting of its projects, whether in support of the entire membership or on behalf of a subset of Governors. We are members of WGA because WGA assists in furthering the interests of our states and our citizens. Your false accusations and innuendo recklessly

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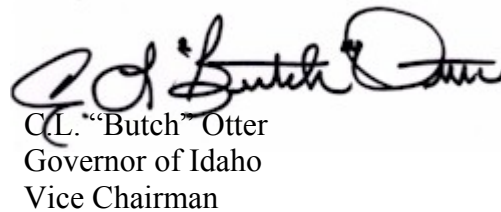
defame the reputation of WGA and, by impugning the reputation of WGA, you impugn our names and that of our citizens.

We regret that you and Mr. Chesser have chosen to act in such an irresponsible manner. We expect that you will issue appropriate retractions and apologies immediately.

Sincerely,



Brian Schweitzer
Governor of Montana
Chairman



C.L. "Butch" Otter
Governor of Idaho
Vice Chairman

cc: Mr. Paul Chesser, Climate Strategies Watch