



WESTERN GOVERNORS' ASSOCIATION

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June 12, 2007

The Honorable Nick J. Rahall II
Chairman, Committee on Natural Resources
1324 Longworth Building
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Rahall:

On behalf of the Western Governors, we are writing in strong support of the revised section 104 of H.R. 2337, included in your amendment in the nature of a substitute to that bill, which would revise provisions of the Energy Policy Act of 2005 (EPA) related to oil shale. We are very concerned about the accelerated timetable mandated in EPA for the development of a commercial-scale oil shale industry. Enactment of your provision would greatly alleviate our concerns. Thank you for your leadership on this issue.

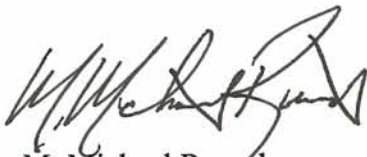
We recognize that oil shale is a critical resource for the entire nation, but the potential development of a large scale commercial oil shale program demands a thoughtful discussion—both at a federal and state level. Unfortunately, an oil shale program development schedule has been imposed that hampers the ability of the states to constructively participate in the process. Our concerns are heightened by the lack of detailed information about the technologies that would be involved; the potential effects on our lands, water, air quality, and wildlife; the conflicts with other uses of scarce resources; and the potentially serious adverse impacts on local communities.

Recently, the Governors of Colorado and Wyoming requested a reasonable extension—from 14 to 120 days—of the time period for cooperating agencies, including states, to comment on the preliminary draft Programmatic Environmental Impact Statement (PEIS). In order to provide meaningful comments on such a large and wide ranging document, states need adequate time to review and analyze it. The BLM denied the request and instead extended the review period to 30 days. This is simply too short of a timeframe to complete a thorough analysis, and the failure of the federal agencies to respect the request of the states significantly undercuts the very federal/state relationships that are crucial to responsible development.

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We are very interested in working with your Committee and with the Administration to complete an overall strategy for sustainable and publicly acceptable large-scale development of oil shale. This would likely reduce the chance of another boom-and-bust oil shale cycle like the one Colorado experienced in the 1980's, and potentially provide a sustainable and environmentally friendly energy source for our nation.

Accordingly, we urge the Natural Resources Committee to retain the revised section 104 in the bill. Thank you for your consideration of this request and look forward to working with you on Western issues in the future.



M. Michael Rounds
Governor of South Dakota
Chairman

Sincerely,



Dave Freudenthal
Governor of Wyoming
Vice Chairman

cc: Members of the House Natural Resources Committee