



## WESTERN GOVERNORS' ASSOCIATION

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July 29, 2010

Sarah Bittleman  
Advisor to the Secretary  
U.S. Department of Agriculture  
1400 Independence Ave., S.W.  
Washington, DC 20250

Dear Ms. Bittleman:

We would like to offer our sincere thanks to you for your participation in the June 1-2 meeting of the Western Governors' Association Transportation Fuels Council. As you know, the focus of the meeting was to identify concrete actions that states can take to encourage the commercialization of alternative fuels. We are encouraged that the programs being offered by the U.S. Department of Agriculture aim to increase domestic energy production, while stimulating rural development in a sustainable manner. WGA's Transportation Fuels Council would like to offer the following comments that reflect the needs of our membership.

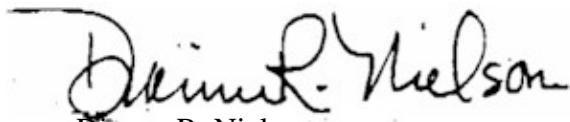
We believe that many of the opportunities offered by USDA require a scale that is too large to be sustainable or profitable for many locations in the West. Unique issues that hamper Western projects' participation in USDA programs include differing agricultural opportunities; smaller scale project emphasis; the amount of matching funds available to project developers; limited access to fuel sources; and longer distances for transporting feedstocks, bi-products and fuels.

While we feel that large-scale development of bioenergy is a necessary component of our domestic energy future, we should also promote local and small-scale developments that meet the needs of rural Western communities. Along these lines, we recommend that the USDA broaden its focus to include outreach and deployment of alternative energy projects through existing programs. The Extension Service meets this need well for other agriculture programs and could be a local link that Western states could tap into. Another program that has worked well for the transportation fuels sector in Western states is the U.S. Department of Energy's Clean Cities program. This program has the mission of increasing U.S. energy and economic security by increasing the use of alternative fuels in our transportation system. The Clean Cities program has had great success in the West because of its tremendous networks in nearly all 50 states.

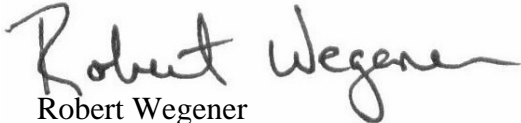
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The Western states have many projects they could initiate and develop utilizing existing infrastructure and worker skills. These projects would provide much needed economic development in our rural communities, while serving the USDA mission. We would ask USDA to partner with the Western states to promote these smaller-scale, productive and necessary projects so that we can continue to meet our mutual goals of healthy forests, sustainable agriculture, environmental stewardship, and a clean and renewable energy future.

Sincerely,

A handwritten signature in black ink, reading "Dianne R. Nielson". The signature is fluid and cursive, with the first name being the most prominent.

Dianne R. Nielson  
Energy Advisor to the Governor of Utah  
Co-Chair, WGA Transportation Fuels Council

A handwritten signature in black ink, reading "Robert Wegener". The signature is fluid and cursive, with the first name being the most prominent.

Robert Wegener  
Oklahoma Secretary of Energy  
Co-Chair, WGA Transportation Fuels Council