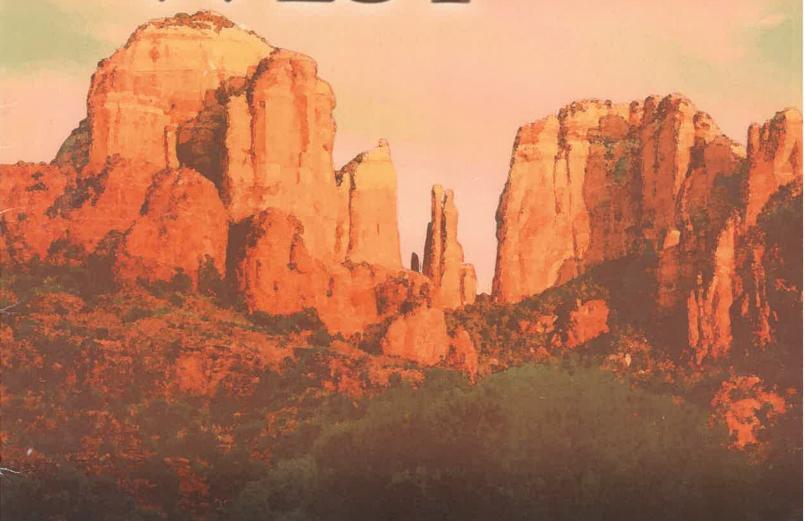
Western Governors' Association 2006 Annual Report

BUILDING A SUSTAINABLE VIEST



2006 Annual Meeting | June 11 - 13, 2006 | Sedona, Arizona



Message from the Chair

Dear Friends of the Western Governors' Association:

Powerful forces – among them rapid technological change, massive demographic shifts (our region has 15 of the 20 fastest-growing metro areas in the country), economic globalization and homeland security needs – are remaking the West. As Chair of the Western Governors' Association, I'm pleased to report that we have accepted the challenge of addressing these forces of change and have made significant progress on several fronts.

The Clean and Diversified Energy Initiative succeeded in bringing together more than 200 leaders from government, conservation groups and industry to find ways to increase the development of clean energy, improve energy

efficiency and meet transmission needs across the West. 1 thank Governors Richardson, Schwarzenegger, Freudenthal and Hoeven for their leadership on behalf of WGA in this effort. The result of this intense, two-year effort is a diverse set of recommendations and policy options that we will consider at our Annual Meeting. Our goal is to bring online at least 30,000 megawatts of clean energy by 2015, increase energy efficiency 20 percent by 2020 and provide adequate transmission for the region far into the future.

In February, WGA adopted a policy resolution for comprehensive immigration reform. Governor Huntsman joined me as a co-lead in urging Congress on our colleagues' behalf to pass legislation based on WGA's broad-based framework, including increased border security, employment-based visas, a temporary guest worker program and state reimbursement for enforcement. Our list of priorities is a comprehensive one based in the realities we face every day in our states.

Growing populations in the West have presented a challenge for our states to find creative solutions for using our limited water supplies more wisely, allowing continued development and still protecting wildlife and natural areas. To get a handle on these issues, we commissioned the development of a white paper on "omnibus public lands bills" passed by Congress that have allowed some states to meet both economic development needs — particularly in rural areas — and land conservation goals. We also asked the Western States Water Council to develop a white paper on policy options to meet competing demands placed on our water supplies by population growth, environmental needs, climate change, aging infrastructure, and historic Indian water rights claims.

The West cannot take success, prosperity and quality of life for granted in the 21st Century. We are going to have to work together, with an eye on the future, to make sure we keep moving forward. I thank my colleagues for their vision, hard work and support during my year as WGA Chair.

Sincerely,

Janet Napolitano Governor of Arizona

Jant Napolitars

Chair, Western Governors' Association

2005-2006 Board of Directors

States

Governor Frank Murkowski, Alaska Governor Janet Napolitano, Arizona

Governor Arnold Schwarzenegger, California

Governor Bill Owens, Colorado Governor Linda Lingle, Hawaii Governor Dirk Kempthorne, Idaho Governor Kathleen Sebelius, Kansas

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New Mexico

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Washington

Governor Dave Freudenthal, Wyoming

U.S.-Flag Pacific Islands

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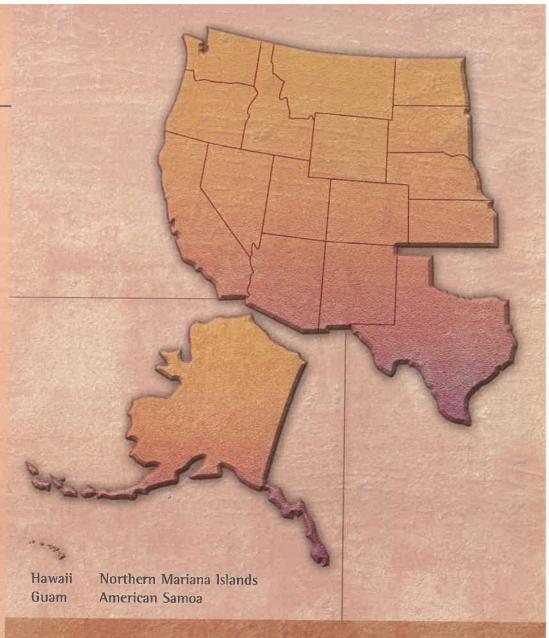


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About the Western Governors' Association

The Western Governors' Association is an independent, nonpartisan organization of Governors representing 18 Western states, and three U.S.-flag Pacific islands. Through their Association, Governors identify and address key



policy and governance issues in natural resources, the environment, human services, economic development, international relations and public management. Governors select issues for further review based on regional interest and impact. WGA helps the Governors develop strategies both for complex, long-term issues facing the West and for the region's immediate needs. Governors use WGA to develop and advocate policies that reflect regional interests and relationships in debates at the national and

state levels. WGA also acts as a center of innovation to find promising solutions for problems in the region.

The Governors serve as WGA's Board of Directors. The Board meets three times per year. Many Governors have one or more issues or policy areas for which they choose to serve as a lead Governor. With the concurrence of the chairman, a lead Governor directs activities, develops proposed positions, chairs related meetings, and provides testimony and comments to Congress, committees and federal agencies. WGA staff provides assistance for these activities.

During the Annual Meeting, the board elects a chairman, approves a work plan and budget for the upcoming year, and adopts policy resolutions that guide the work of the Association. Between gubernatorial meetings, the WGA Staff Council, which comprises the chief of staff or a top policy adviser for each Governor, reviews and guides WGA activities.

Acknowledgements

The Western Governors' Association wishes to thank the following federal agencies and organizations for their support over the past year:

National Aeronautics and Space Administration The William and Flora Hewlett Foundation Southwest Partnership for Carbon

Sequestration

Renewable Energy and Energy Efficiency Partnership

Rockefeller Brothers Fund

U.S. Department of Agriculture

- U.S. Forest Service
- Natural Resources Conservation Service
- U.S. Department of Commerce, National Oceanic and Atmospheric Administration
- U.S. Department of Energy:
 - National Renewable Energy Lab
 - National Energy Technology Laboratory
 - Environmental Management,
 Carlsbad Field Office and the Office
 of Transportation
 - National Transportation Program, Office of Civilian Radioactive Waste Management
 - Office of Fossil Energy
- U.S. Department of the Interior
 - Bureau of Land Management
 - · Bureau of Reclamation
- U.S. Environmental Protection Agency,
 - Regional offices: VI, VIII, IX and X
 - Office of Air and Radiation
 - Office of Air Quality Planning and Standards
 - Office of International Activities
 - · Office of Water

Priorities of the Chairman

Each Chair of the Western Governors' Association selects issues or initiatives to advance during his or her tenure. Governor Janet Napolitano placed special emphasis this year on sustainable economic development and, with her colleague Gov. Jon Huntsman, Jr., comprehensive immigration reform.

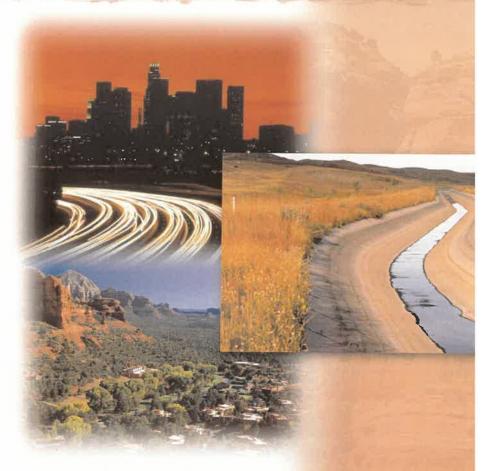
Sustainable Economic Development

The West has been the fastest growing region in the country over the past decade, a trend that is expected to continue. Between 2000 and 2030, an estimated 41 million additional people will be calling the West home – growing from 90 million to 131 million people.

If the region adds that many people in the next 30 years, there will be 20 million more cars on the road, 60 billion more gallons of water will be needed for consumption, and 34 million more tons of waste will be generated.

Constraints on growth will be related to water supplies, land – either for conservation or development, a skilled workforce, and an efficient transportation system capable of handling increased passenger and freight traffic. Over four of every ten acres of land in the owned and managed by the federal government. Some of these lands are set aside for protection from development as designated wilderness, conservation and scenic areas; wildlife refuges; parks; and monuments. Other land has been opened up to energy development, timber production, mining activities, off-road vehicles and other uses.

In light of the above, the Governors directed WGA to develop two white papers. *Collaborative Conservation Strategies:*Legislative Case Studies from Across the West focuses on how communities with nearby public lands can develop strategies and broker compromises among conservation and development interests. The white paper traces the history of land conservation in the West and the seeds of collaborative approaches reaching



back to federal statutes enacted in the 1960s. The case studies profiled in the report show how traditional adversaries in three Western communities were able to overcome impasse and hammer out difficult compromises to accommodate most interests.

The second white paper, Water Needs and Strategies for a Sustainable Future, was developed by the Western States Water Council. This action plan offers analysis and policy options for the sustainable development and use of water. The West continues to face growing and competing demands for this precious resource from population growth, environmental needs, and historic Indian water rights claims, during an era of fully allocated basins, and with the likelihood of increasing climate-caused disruptions.

In addition to wisely using land and water resources, the West will also need to prepare its students with job skills needed in an ever increasing high-tech, globalized economy and ensure the region has the transportation infrastructure to get its products to world markets. Governors discussed these important issues with education and transportation leaders at

the WGA Winter Meeting held in November, 2005 in Phoenix. WGA will continue to focus on those aspects of sustainable development in the coming year.

Reports, Position Papers and Resolutions

- Collaborative Conservation Strategies: Legislative Case Studies from Across the West (2006)
- Water Needs and Strategies for a Sustainable Future (2006)
- U.S. Economic Competitiveness (Res. 05-01)
- Transportation in the West The Next Generation (05-05)
- Open Spaces (05–19)
- Principles for Environmental Management in the West (05-17)

A Comprehensive National Immigration Policy

The Western Governors' Association in February developed a detailed framework for comprehensive immigration reform that includes increased border security, employment-based visas, a temporary guest worker program and state reimbursement for enforcement. The list of priorities is a comprehensive one based in the realities the Governors face every day in their states, and the Governors have actively petitioned Congress to include them in pending legislation.

The deepening economic, historic and long-term social ties between Mexico and the U.S. have resulted in hundreds of millions of legal crossings every year along the U.S.-Mexico border. The agricultural and hospitality industries, in particular, have become heavily dependent upon a stable and reliable foreign labor pool.

The flip side of the coin is that without a lawful avenue to provide sufficient seasonal employees, current law actually encourages unlawful migration to the United States. More than one million people cross the border illegally each year, resulting in a disproportionate financial burden to our states' health-care,

education, environmental and criminal justice systems.

Enforcement alone is not the answer; similarly, a guest worker program, alone, is no panacea. The Governors recommend a wide attack: not only reform of our current visa system, but also a reduction of bureaucratic red tape and an emphasis on new technologies.

Key elements of the framework include:

- Technology-Driven Border Control —
 Adequate funding of law enforcement personnel and infrastructure is essential, along with cutting-edge enforcement technology that allows all levels of enforcement to share comprehensive databases, while safeguarding our privacy. Unmanned aerial vehicles and ground-based sensors and radar would improve intrusion detection. Cyberports and Fast Lanes would reduce federal delays and bureaucracy at ports of entry.
- Reform the Visa System and Widen our Legal Labor Pool — The visa system must be streamlined so employers will use it, not shun it. This requires a streamlined process and sufficient numbers of visas to meet U.S. employer demands, especially in the hightech and bio-tech industries and seasonal agriculture and hospitality operations.
- A Guest Worker Program without Amnesty

 Foreign labor should not be a substitute for U.S. workers. A guest worker program should supplement areas where there are documented shortages of U.S. workers.
 Biometric and tamper-resistant identification tools should be used in performing background checks. Current federal employer sanctions for knowingly hiring undocumented labor must be enforced, and employers need an electronic, secure, reliable and fast employment-verification system 24/7.

The Governors will continue to work together and with other regional organizations to communicate their positions to Congress.

Reports, Position Papers and Resolutions

- U.S.-Mexico Border Security and Illegal Immigration (Res. 06-01)
- Border Ports of Entry Infrastructure (Res. 05-28)

2006 Year in Review

Creating More Workable Environmental and Natural Resource Management Systems

The Western Governors' Association has long promoted policies and strategies that allow decision-makers and the public to meet environmental objectives in innovative, more cost effective ways. Such strategies focus on results rather than inflexible processes; emphasize the power of market incentives; and encourage locally based solutions to meet national goals. Solutions are developed by relying on the best thinking and cooperation of all affected groups – regulators, businesses, tribal governments, landowners and the general public. WGA bases these efforts on the Enlibra Principles, first adopted by the Governors in 1999.

Water and Drought Policy

Water supplies in the West are strained by several competing demands: economic expansion and population growth; protection of wildlife, including threatened and endangered species; and water quality. Droughts further compound these demands and have major impacts on our quality of life. The WGA water program is intended to provide a strategic, state-based, approach to Western water policy.

To better coordinate and integrate federal and state programs for drought, WGA's lead Governors for drought, Mike Rounds of South Dakota, Brian Schweitzer of Montana, Janet Napolitano of Arizona and Bill Richardson of New Mexico, have worked with Senate and House leaders in developing the National Drought Preparedness Act of 2005. The bill would move the country away from the costly, ad-hoc, response-oriented approach to drought, and move us toward a proactive



approach of preparedness. The new national policy would provide tools and coordination for drought, similar to those provided for other natural disasters in the Stafford Act.

One key component of the Drought
Preparedness Act is improved drought monitoring
and prediction. In June 2004, the Governors
adopted the report "A Drought Early Warning
System for the 21st Century: the National
Integrated Drought Information System," which
includes a number of recommendations to
improve the science of drought in terms of both
forecasting and monitoring. In April, legislation
was introduced in Congress to authorize NIDIS,
based largely on the WGA report. Additionally,
the President's FY 2007 budget request included
\$7.8 million for NIDIS implementation.

Tongue River Dam, Montana

Reports, Position Papers and Resolutions

- Creating a Drought Early Warning System for the 21st Century; The National Integrated Drought Information System (2004)
- Water Quality Issues in the West (Res. 05-10)
- Future Management of Drought in the West (Res. 05-12)
- State Authority Regarding the Federal Hydropower Licensing Process (Res. 05-14)
- The Safe Drinking Water Act (Res. 05-13)
- Watershed Restoration Through Partnerships (Res. 05-25)
- Negotiated Indian Water Rights Settlements (Res. 04-07)
- Federal Non-Tribal Fees in General Water Adjudications (Res. 04-09)
- Cleaning Up Abandoned Mines (Res. 04-10)

Giving States Better Tools to Protect and Recover Endangered Species

Western Governors applaud the principles of the Endangered Species Act and have maintained a longstanding interest in improving species recovery efforts by making the process more efficient and by providing more effective incentives for state and private conservation activities. With Governors Owens and Freudenthal serving as leads for this issue, WGA submitted testimony to the Senate Environment and Public Works Committee for a hearing on ESA reauthorization held in September 2005. WGA remains committed to working with Congress to achieve targeted, common-sense changes to the ESA.

Sage Grouse Habitat The photo to the right shows Greater Sage Grouse habitat on the Gordon Cattle Company property in Montana.

Reports, Position Papers and Resolutions

- Sage Grouse Conservation (05-01)
- Reauthorization and Amendment of the Endangered Species Act of 1973 (03-15)
- De-listing of Endangered Species (03-10)
- Conservation Efforts Regarding Black-tailed Prairie Dogs (04–21)
- Written testimony submitted to the Senate Environment and Public Works Subcommittee on Fisheries, Wildlife and Water (9/21/05)



The Western Governors have long supported range-wide assessments of the Greater Sage Grouse, including its status, conservation needs and best practices. They also have supported individual state efforts to develop management plans that take into account unique characteristics related to bird populations, land uses and human impacts and create opportunities for conservation.

In January 2005, the U.S. Fish and Wildlife Service concluded the Greater Sage Grouse did not warrant listing under the Endangered Species Act. Under the leadership of Governors Owens and Guinn, WGA helped compile significant data and success stories on sage grouse recovery efforts in the 11 states affected by the decision and submitted it to FWS officials and to Congress.



This action did not signify the end of the Governors' involvement. WGA has engaged hundreds of stakeholders representing a cross section of Western interests, including ranchers, environmental organizations, industry groups and government agencies. These efforts have resulted in the formation of more than 50 local working groups, which provide the fundamental building blocks of Greater Sage Grouse conservation. Their local information, special circumstances and communication networks are vital to the implementation of projects that will protect habitat and address other needs of the sage grouse.

The WGA Sagebrush Conservation Council also is assisting local working groups with



Truck carries truwaste to WIPP site in Carlsbad, N.M.

completing their sage grouse conservation plans and to develop a conservation plan for sagebrush habitat. The Council is co-chaired by the lead Governors, and its members are appointed by the Governors in the 11 states with Greater Sage Grouse habitat. The Council met most recently in May 2006 to develop objectives regarding conservation of sage grouse and the sagebrush ecosystem. Details are available on the WGA Web site at www.westgov.org.

The Governors continue to support the efforts of the Western Association of Fish and Wildlife Agencies (WAFWA) for the development of the Greater Sage Grouse Comprehensive Conservation Strategy. WGA actively participates with WAFWA and the Greater Sage Grouse Range-Wide Issues Forum in the development of approaches that address issues, needs, opportunities and partnerships related to the conservation of Greater Sage Grouse and sagebrush habitats at the range-wide scale. The Greater Sage Grouse Comprehensive Conservation Strategy is scheduled for public review this year and will be available to all interested parties by the end of 2006.

Reports, Position Papers and Resolutions

- Sage Grouse and Sagebrush Conservation (Res. 05-01)
- National Conference for Sage-grouse Local Working Groups Conference Proceedings Report (2005)
- Conserving the Greater Sage Grouse: A Compilation of Efforts Underway on State, Tribal, Provincial and Private Lands (June 2004)
- Conserving the Grater Sage Grouse: Examples of Partnerships and Strategies at Work Across the West (June 2004)

Radioactive Waste Transportation

The Radioactive Waste Safe Transportation Program managed by WGA has maintained an extraordinary safety record over the past seven years. More than 4,500 shipments have been made to the Waste Isolation Pilot Plant in New Mexico. The only incident, which occurred in December 2005, involved a truck carrying empty shipping containers. There



were no major injuries.

The WGA Radioactive Waste Safe
Transportation Program has been successful because of the collaboration of 12 Western states, which plan and monitor shipments to the WIPP site in southeastern New Mexico.
The U.S. Department of Energy, Carlsbad Field Office, is responsible for coordinating the shipments and supports the states' work, as well. During the past year, WGA has focused on developing an update to the WIPP Transportation Safety Program Implementation Guide, which is scheduled to be issued by the end of 2006.

In addition to transuranic waste shipments, DOE has made shipments of foreign research reactor spent fuel from the Savannah River site to the Idaho National Laboratory and low level shipments, via both truck and rail, from Ohio to both Energy Solutions in Clive, Utah and Waste Control Specialists in Andrews, Texas. DOE has developed transportation and security plans for these shipments using a planning process that includes both WGA and the affected states.

WGA's affiliate, the Western Interstate
Energy Board (WIEB), implements the
Governors' policies related to the shipment of
spent nuclear fuel and high-level radioactive
waste under the Nuclear Waste Policy Act.
During the past year WIEB has worked closely
with DOE's Office of Civilian Radioactive
Waste Management to develop a system for
the safe and uneventful transportation of such
waste. DOE anticipates shipping this waste to
a proposed repository at Yucca Mountain
beginning in 2020.

Governors Kempthorne, Guinn, Richardson and Huntsman serve as leads for WGA's radioactive waste transportation programs. These programs are supported with funding from DOE.

Reports, Position Papers and Resolutions

- U. S. Department of Energy Waste Isolation Pilot Plant (WIPP) and Transportation of TRU Waste (Res. 03–08)
- Private Storage of Commercial Spent Nuclear Fuel (Res. 03-16)
- Assessing the Risks of Terrorism and Sabotage Against High-Level Nuclear Waste Shipments to a Geologic Repository or Interim Storage Facility (Res. 04-02)
- Transportation of Spent Nuclear Fuel and High-Level Radioactive Waste (Res. 05-15)
- Department of Energy Facilities Cleanup Program (Res. 05-23)

Western Regional Air Partnership

Through the leadership of Western Governors, the Western Regional Air

Grand Canyon National Park



Partnership (WRAP) is spearheading efforts to improve air quality in the West. The WRAP brings together Western states, tribes, and federal agencies — along with business, industry, and environmental interests — to protect air quality in the West's National Parks and wilderness areas, which are cherished by

Westerners and visitors from around the world.

Under the co-chairmanship of Governor Janet Napolitano and Councilman Lloyd Irvine of the Confederated Tribes of Salish and Kootenai, the WRAP is making great strides as it helps Western states with the development of regional haze plans due to the Environmental Protection Agency in December 2007.

These plans will build on the significant reductions of sulfur dioxide emissions from coal-fired power plants that have occurred in recent years. From 1998-2005, SO2 emissions from these plants went down by more than 40 percent. More reductions are on the way as a result of new permits and voluntary clean-ups that will occur between 2006 and 2010. The



noto Courtesy Glacier National P

WRAP's projections for the year 2018 also anticipate large reductions in motor vehicle emissions as a result of new federal engine and fuel standards.

The WRAP continues to develop state-of-the-art technical tools needed by Western states and tribes to create sound strategies for improving air quality across the West. Currently the WRAP is developing a Web-based Technical Support System that consolidates all of the technical information produced by WRAP and makes it available in an easy to understand format.

Reports, Position Papers and Resolutions

- Western Air Quality (Res. 05-16)
- Coarse Particulate National Ambient Air Quality Standards (Res. 05-08)
- Utility Mercury MACT Emission Regulations (Res. 03-23)

Strengthening State and Federal Energy Policy and Systems

Clean and Diversified Energy Initiative

There is broad agreement among Western Governors that action is needed now to ensure the West will have a diverse supply of secure, environmentally responsible and affordable energy well into the future. They recognize that a proactive approach is needed to continue economic progress, to protect an outstanding quality of life and to harness abun-

dant domestic energy resources, while decreasing the country's reliance on less stable foreign energy supplies.

With that in mind, the Governors created the Clean and Diversified Energy Advisory Committee in 2004 to develop recommendations for a forward-looking energy strategy for the West. The CDEAC was Co-chaired by William Keese, former chairman of the California Energy Commission, and William Real, Senior Vice President for Public Policy at PNM Resources. The CDEAC examined the feasibility of developing an additional 30,000 megawatts of clean and diverse energy by 2015; a 20 percent increase in energy efficiency by 2020; and a plan for safely and reliably meeting transmission needs over the next 25 years.

The committee's final report, Clean Energy, a Strong Economy and a Healthy Environment, reflects the hard work of more than 250 stakeholders, who represented diverse interests. Reports with recommendations were published by task forces working on advanced coal, biomass, energy efficiency, geothermal, solar, transmission and wind. White papers were also submitted on combined heat and power, natural gas and power generated from water resources. The combined recommendations are impressive and show that the goals set by the

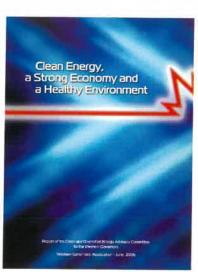
Governors can be met or exceeded.

Under the leadership of Governors Richardson, Schwarzenegger, Freudenthal and Hoeven, this initiative has demonstrated there are proven energy efficiency measures, abun-

dant renewable resources, and quickly emerging fossil fuel technologies that the West can utilize to produce clean energy, a strong economy and a healthy environment well into the future.

Support for this initiative is provided by the U.S. Department of Energy and the National Renewable Energy Lab, the William and Flora Hewlett Foundation, the Renewable Energy and Energy Efficiency Partnership and

U.S Environmental Protection Agency.



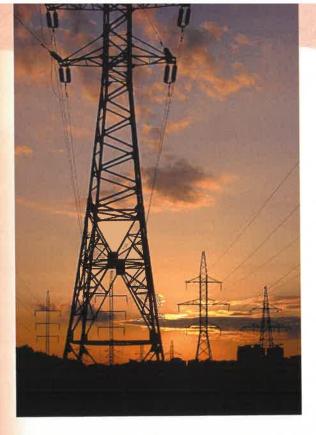
Reports, Position Papers and Resolutions

- Clean Energy, a Strong Economy and a Healthy Environment (2006)
- Clean and Diversified Energy Initiative for the West (04–14)

Proactive Regional Transmission Planning

Development of new electric transmission lines is important to allow the region to diversify its generating resources and protect the region from price and supply shortage shocks. The enactment of the Energy Policy Act (EPAct) requires federal agencies to designate energy corridors on federal lands and identify transmission congestion. As the Governors cited in their resolution 05-30, if such federal efforts are done well, they can contribute to the Governors' efforts to develop needed transmission. Done poorly, the federal intervention into state siting has the potential to slow down the development of needed transmission.

The pace of transmission planning and development has accelerated in the West.



Many major transmission proposals are under development in the Western Interconnection.

In support of the Governors' objective to institutionalize proactive transmission planning, in April the Western Electricity Coordinating Council assumed interconnectionwide transmission planning responsibilities. WECC's efforts will supplement proactive transmission planning underway within the sub-regions of the Western Interconnection.

- A joint task force of Western states, provinces and industry has been working with DOE to evaluate transmission congestion in the Western Interconnection as stipulated in EPAct.
- Implementation of the transmission recommendations of the WGA Clean and Diversified Energy Advisory Committee can further strengthen transmission planning and development processes.

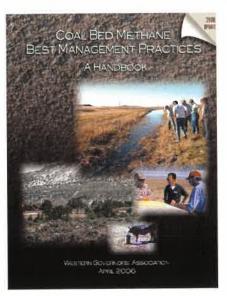
Reports, Position Papers and Resolutions

Western Energy Policy Roadmap (03-19)

Coal Bed Methane Best Management Practices

Coal bed methane (CBM) resources play an important role in meeting U.S. domestic energy needs. In 2004, 1.5 trillion cubic feet of CBM was produced in the five Rocky Mountain States of Colorado, Montana, New Mexico, Utah and Wyoming, representing six percent of the total U.S. gas supply. The Rocky Mountain West may contain as much as 63 trillion cubic feet of CBM. Natural gas is used to produce 18 percent of the electricity generated domestically, and is the fastest growing use of natural gas.

While CBM is a critical component of our energy supply, the growth in CBM development in the West poses challenges to communities in which it occurs, including the construction of new roads, pipelines, compressors,



and other facilities. Challenges also include management of water resources, waste treatment and disposal and impacts to communities where this development is occurring. One means of addressing these challenges is to coordinate and foster sharing of information that will promote the sound, efficient and environmentally appropriate development of CBM. In particular, best management practices can be shared and used to help develop this resource in an environmentally sound manner.

The Governors' promote the sharing of best practices for CBM and created an advisory committee composed of a broad range of stakeholders to develop a CBM Best Management Practices Handbook. The handbook was endorsed and released by the Governors at the North American Energy

Summit in April 2004. Updated in 2006, the handbook addresses four areas of management practices: planning, water, landowner relations and infrastructure. Model CBM agreements and practices are appendices to the handbook and are available online at www.westgov.org.

Governors Freudenthal and Schweitzer serves as leads for this effort. Region VIII of the U.S. Environmental Protection Agency, the William and Flora Hewlett Foundation and the U.S. Department of the Interior, Bureau of Land Management provide funding.

Reports, Position Papers and Resolutions

- Coal Bed Methane Development (Res. 05-24)
- Coal Bed Methane Best Management Practices Handbook (April 2006)

Western Renewable Energy Generation Information System

The Western Renewable Energy Generation Information System is a joint effort by the WGA, the California Energy Commission Energy Commission, and the Western Regional Air Partnership to implement an independent, voluntary, renewable energy generation database and a registry for Renewable Energy Certificates within the Western Interconnection.

The renewable tracking system is expected to be designed, tested and operational in late 2006. WREGIS will not be a trading platform for renewable energy, certificates, or credits.



Wind turbines located on the coast of Hawaii. Photo Courtesy NREL/Pix - Hawaiian Electric Light Company

Rather, it will serve as a tracking and registry service, similar to a banking system, enabling the registration of generators and other account holders, the tracking of REC transfers within and out of the system, and the creation of public and private reports.

Support from this project comes from the California Energy Commission and the U.S. Environmental Protection Agency.

Western Regional Carbon Sequestration Partnerships

The Western Governors' Association is assisting four Western carbon sequestration partnerships – Big Sky, Plains, Southwest and West Coast – with their outreach activities as they begin testing various technologies and methods for capturing and permanently storing CO2. In a letter of support for the projects, lead Governors Richardson and Rounds said the West is "essential to the success of the sequestration program, because it holds a preponderance of the nation's fossil fuels and also provides excellent opportunities for geologic and terrestrial sequestration."

The four-year test phase is validating technologies, evaluating the most promising repositories for CO2, and identifying best-management practices. WGA and its affiliate, the Western Interstate Energy Board, are ensuring that state energy and environmental officials are kept informed of the projects' progress and related permitting and regulatory issues. Deployment of carbon capture and sequestration technologies will help ensure continued development of the West's fossil energy resources, a key element of WGA's Clean and Diversified Energy Initiative.

Support for this initiative is provided by the Southwest Regional Partnership on Carbon Sequestration, which receives funding from the U.S. Department of Energy.

Reports, Position Papers and Resolutions

- Clean and Diversified Energy Initiative for the West (04–14)
- Western Energy Policy Roadmap (03-19)

Western Regional Biomass Energy Program

The Western Regional Biomass Energy
Program promotes the increased use of
bioenergy and bio-based products. Biomass is
organic matter not derived from fossil fuels
and includes residues from forests and agriculture, municipal wastes, and other living plant
material. The Energy Program contributes to
sustainable economic development, especially
for the West's rural communities and addresses
two significant natural resource challenges in
the West – developing a clean and renewable
source of energy and restoring the health of
forests. The program focuses on policy development, outreach and technical assistance.

WGA has an extensive outreach program to promote the increased use of bioenergy and bio-based products. Conferences co-sponsored by WGA this year included the National

Northern Rockies Regional Woody Biomass Conference, cosponsored by WGA, tour biomass operation of a local entrepreneur in Missoula, Mont.

Participants in the



Bioenergy and Wood Products Conference and the Northern Rockies Regional Woody Biomass Conference.

The WGA offers energy grants in the Western region through its participation in the National Biomass Partnership, a collaboration of Governors' associations in four regions and the U.S. Department of Energy. The 13 participating states in the West are: Arizona, California, Colorado, Kansas, Nebraska, Nevada,

New Mexico, North Dakota, Oklahoma, South Dakota. Texas, Utah and Wyoming. WGA has awarded biomass program funding totaling more than \$700,000. A complete list of projects by state is available on WGA's Web site at www.westgov.org.

A third round of grants for the remaining eligible states in the WGA biomass region is underway. Support for this initiative comes from the Department of Energy. Governors Napolitano and Kempthorne serve as leads for the Western Biomass Energy Program.

Reports, Position Papers and Resolutions

- Clean and Diversified Energy Initiative for the West (Res. 04-14)
- Improving Forest and Rangeland Ecosystem Health in the West (Res. 03-18)

Restore and Maintain Healthy Forests and Rangelands in the West

Implementing the 10-year Comprehensive Strategy

Under the leadership of Governors
Napolitano and Kempthorne, WGA continued
to make forest health policy a high priority.
The focus in this area for WGA has been
helping to implement the governors' 10-year
Comprehensive Strategy and Implementation
Plan developed by a broad-based group of
stakeholders in 2001 and 2002, respectively.
The Secretaries of Agriculture and the Interior,
among others, joined the Governors in approving the plans. The goals of the plans are to
improve fire prevention and suppression, and
promote community assistance, reduce
hazardous fuels, and maintain and restore
fire-adapted ecosystems

Based on a December 2004 report from WGA's Forest Health Advisory Committee that was endorsed by the Governors, WGA has been working closely with the federally led Wildland

Fire Leadership Council and the WGA advisors to develop an update to the 10-Year Strategy Implementation Plan. The updated plan would set the course for the final five years of the 10-Year Strategy as to specific tasks that need to be undertaken by governments and communities to meet the Strategy's goals and provide a means of measuring progress.

WGA hosted the Central Rockies Workshop for the states of Colorado, South

Dakota and Wyoming in May 2005 in Casper, Wyoming to focus on identifying and promoting best practices for a collaborative approach to forest health efforts. The workshop was designed as an opportunity for diverse stakeholders and government personnel to convene informally to discuss collaboration broadly and share the lessons learned and successes from their efforts.

More than 100 people shared progress reports and their views on what is or is not working. They discussed barriers to collaboration, expectations and case studies of existing efforts. Also discussed were different ways collaborative groups are addressing wildfire, fuel loading, ecosystem restoration and



Thinning tree stands is one tool used to create a shaded fuel break.



community assistance.

Available technical and financial resources that can be used in these efforts were also addressed. Finally, they developed individual state work plans for going forward after the workshop.

WGA is working with its members to hold additional state-focused forest health workshops. The first such conference WGA cosponsored — the Montana Communities and Wildfire Conference in Helena in

February 2005 — successfully focused on that state's efforts and ongoing needs to improve its forest health situation.

The Governors also continue to engage Congress as the House and Senate evaluate forest health-related budgets and programs.

Governors Kempthorne and Napolitano serve as leads for Forest Health. The U.S. Forest Service and the Department of the Interior provide financial support for this effort.

Reports, Position Papers and Resolutions

- Report of a Workshop on Forest and Rangeland Health Collaboration – The Central Rockies Workshop (Colorado, South Dakota, Wyoming) (May 2005)
- Western Governors' Association Forest Health Advisory Committee – Report to the Western Governors on Implementation of the 10-Year Comprehensive Strategy (November 2004)
- Preparing a Community Wildfire Protection Plan A Handbook for Wildland-Urban Interface Communities (March 2004)
- A Collaborative Approach for Reducing Wildland Fire Risks to Communities and the Environment: 10-Year Comprehensive Strategy Implementation Plan (2002)
- A Collaborative Approach for Reducing Wildfire Risks to Communities and the Environment: A Ten-year Comprehensive Strategy (2001)
- Improving Forest and Rangeland Ecosystem Health in the West (Res. 03-18)
- Future Management of the National Forests and Public Lands (Res. 05-18)

Strengthening Relationships with Mexico and Canada

Western U.S. - Western Canada Relations

The Western Canadian Premiers joined the Western Governors at the WGA Annual Meeting in Colorado in June 2005 and the Governors participated in the Western Premiers' Conference in Gimli, Manitoba in May 2006. The Western Premiers' Conference and WGA meet once a year, alternating between each group's meeting, to discuss issues of mutual concern and to share information. Members of the WPC are the Premiers of British Columbia, Alberta, Saskatchewan, Manitoba, Nunavut, the Yukon and the Northwest Territories.

U.S. – Mexico Border Environment Dialogue

The Border Environment Dialogue provides a mechanism for U.S. and Mexican state and federal officials to work together on health, environmental and natural resource issues of mutual concern. With WGA's assistance, an ongoing forum and coordination mechanism has been established for the environmental agencies of the four U.S. and six Mexican border states to communicate, exchange information and cooperate on border environmental issues and programs.

The State of California hosted the 2006 Ten State Retreat for environmental directors in April in San Francisco. Topics discussed included shared environmental and natural resources challenges along the border, the bi-national Border 2012 Program and trans-boundary air quality management,

including the push to make ultra low-sulfur diesel fuel available in the Mexican border states of Baja California, Sonora, Coahuila, Chihuahua, Nuevo Leon and Tamaulipas.

The efforts of the Dialogue are closely coordinated with the Border Governors' Conference, which includes the 10 U.S.-Mexico border Governors and is held annually. This coordination has allowed the environmental leaders to have an effective voice in the border Governors' agenda and international policy positions.

The U.S. Environmental Protection Agency provides funding for these efforts.

Mexico Air Pollutant Emissions Inventory

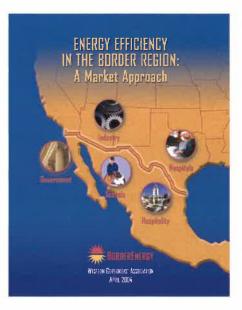
WGA has been working with the EPA and the Mexican government to construct a comprehensive inventory of air pollutant emissions for Mexico. In June 2005 the WGA joined with those agencies in releasing the results for the six northern Mexican states, and in May 2006 released the results for the remainder of

Mexico. WGA has worked in partnership with the U.S. border states and Mexico over the past four years to develop the inventory, which provides a technical basis for identifying effective control strategies to protect the health of the Mexican people. For the United States, having a comprehensive inventory will provide data essential to the accurate characterization of air quality and visibility problems along the

border, as well as a more realistic estimation of the long range transport characteristics of Mexican emissions.

Another benefit of this initiative is that WGA helped build the technical skills of Mexican air quality staff to keep the inventory accurate and up-to-date well into the future.

The U.S. Environmental Protection Agency



and the Commission for Environmental Cooperation provide support for this project.

Reports, Position Papers and Resolutions

- Energy Efficiency in the Border Region: A Market Approach (April 2004)
- U.S.-Mexico Border Environment (Res. 03-06)
- WGA Relations with the Western Premiers' Conference (Res. 05-20)
- WGA Relations with Mexico and the Border Governors' Conference (Res. 05-21)
- Border Ports of Entry Infrastructure (05-28)

Strengthening Relationships in Washington, D.C.

The WGA Washington, D.C. Office exists to aid the Western Governors in explaining and advancing Western policy objectives in federal law, regulations and administrative decisions. Primarily, the Washington, D.C. Office has two tasks: policy monitoring and lobbying, and bringing the West to Washington.

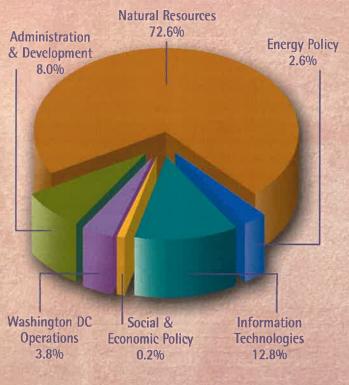
Over the past year, WGA staff has lobbied Congress and federal agency personnel on the Governors' priority issues, including: comprehensive immigration policy reform; enhancements to the Endangered Species Act; public lands legislation and appropriations; and energy policy. The Washington, D.C. staff also assists Governors in their own lobbying efforts on behalf of WGA, including preparation of testimony for Congressional hearings. In addition, WGA staff have actively sought out and developed strong relationships with other entities that have substantially similar policy interests and built coalitions to lobby for changes in federal policy.

The Washington, D.C. Office is also responsible for "bringing the West to Washington," an effort to maintain regional cohesion among the various policymakers in Washington, D.C. The office works with the Western States Senate Coalition, the House Western Caucus and other groups to foster a sense of regional identity and joint purpose among the many Westerners living and working in the Nation's Capitol.

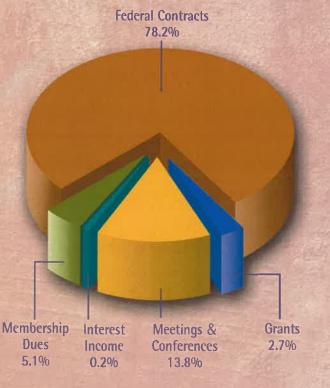
Reports, position papers and resolutions mentioned in the "Year in Review 2006" are available on the Western Governors' Association Web site at www.westgov.org. Resolutions adopted at the 2006 Annual Meeting in June, which are not listed in this report, are also available on the Web. For those without access to the Internet, a copy may be obtained by contacting WGA at (303) 623-9378.



FY 2005 Functional Expenses



FY 2005 Support and Revenues



Finances

WGA's income is derived from dues from member states, grants and contracts, contributions, interest and other miscellaneous income. Member Dues for the fiscal year 2005 were \$36,000 per state and \$6,000 per territory/commonwealth.

During the fiscal year ended June 30, 2005 WGA's Income totaled \$10,070,865 approximately 78% of this amount was received from federal agencies for various projects.

Statement of Activities for the Year Ended June 30, 2005

Membership Dues	\$ 510,000
Federal Contracts	7,875,961
Grants	274,000
Meetings &Conferences	1,388,440
Interest Income	22,464

\$10,070,865

Functional Expenses

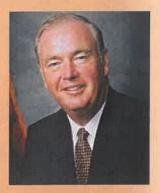
TOTAL

Energy Policy	9	249,009
Information Technologies		1,252,289
Natural Resources		7,076,904
Social & Economic Policy		22,091
Washington DC Operations		373,931
Administration & Development	t	779,678
TOTAL	-	\$ 9,753,901

Excerpted for the audit of report of JDS Professional Group, Certified Public Accounts, Consultants and Advisors

Governor Bio Sketches

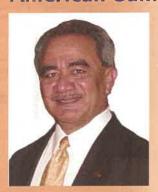
Alaska



FRANK MURKOWSKI, born in Seattle, Washington, left the life of a U.S. Senator to run for Governor of Alaska, an office to which he was elected in 2002. Murkowski was first elected as a U.S. Senator in 1980 and served on the Energy and Natural Resources, Finance, Indian Affairs and Veterans' Affairs Committees. Prior to entering the Senate, he was president of Alaska National Bank of the North, starting in that post in 1971. In 1966 Murkowski was appointed Alaska's Commissioner of Economic Development, the state's youngest commissioner at age 33. Murkowski's first job after graduating from Seattle University in 1955 with a degree in economics and then serving two years in the U.S. Coast Guard was with Pacific National Bank in Seattle. Murkowski has been president of the Alaska Bankers Association and president of the Alaska State Chamber of Commerce and is a member of the Pioneers of Alaska.

Birth Date: March 28, 1933 Family: Six children Spouse: Nancy Party: Republican Elected: 2002

American Samoa



TOGIOLA TULAFONO, formerly American Samoa's Lieutenant Governor, was sworn into office in April 2003 following the sudden death of Governor Tauese Sunia. Prior to that he had served as a Senator for 12 years, as the first chair of the Board of Directors of the American Samoa Power Authority and as the first chair of the Board of Higher Education. A graduate of Chadron State College in Nebraska, Washburn University School of Law in Topeka, Kansas, and the National Judicial College in Reno, Nevada, Tulafono also served as a District Court Judge, as Samoan Assistant to the Attorney General, and as a lawyer in private practice for more than 20 years. His other public duties have included service as a policeman, an administrative assistant for the Secretary of Samoan Affairs, and chair of the American Samoa Centennial Committee, which in 2000 marked the centennial of American Samoa's relationship as a U.S. possession.

Birth Date: February 28, 1947 Family: Six children Spouse: Mary Party: Democrat

Succeeded to Office: 2003

Arizona

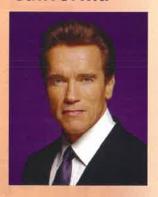


JANET NAPOLITANO is a former U.S. Attorney for Arizona, a post in which she served for more than five years. She was elected Arizona Attorney General in 1998 and Governor in 2002. Her activities as U.S. Attorney included management of investigations into the relationship between the Oklahoma City Federal Building bombing and Timothy McVeigh's time in Kingman, Arizona. Born in New York City in 1957, Napolitano grew up in Albuquerque, New Mexico, and attended college in California at Santa Clara University. She received her law degree from the University of Virginia. Napolitano is WGA's Chair.

Birth Date: November 29, 1957 Party: Democrat

Elected: 2002

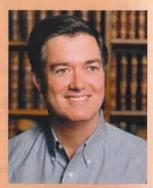
California



ARNOLD SCHWARZENEGGER moved to the United States from Austria when he was 21. Schwarzenegger has devoted significant time and energy to improving the lives of others, especially children. Schwarzenegger has received many awards for this devotion. He was appointed the Chairman of the Presidents Council on Physical Fitness in 1990, where he served until 1993. In 1995, he established the Inner City Game Foundation, which provides year-round after school and weekend cultural, educational and community enrichment programs for youths. Before being sworn in as California's 38th governor, Schwarzenegger had a distinguished career in business and entertainment.

Birth Date: July 30, 1947 Family: Four children Spouse: Maria Shriver Party: Republican Elected: 2003

Colorado



BILL OWENS, was sworn in as Colorado's 40th governor in January 1999. Called "the best governor in America" by National Review magazine, he was re-elected in 2002 with the greatest majority in Colorado history, earning a broad mandate for his innovative leadership. He also is a past Chairman of WGA and the Republican Governors' Association. Governor Owens, who holds a master's degree in public administration from the Lyndon B. Johnson School of Public Affairs at the University of Texas, worked for 20 years in the private sector before serving in the Colorado House of Representatives, Colorado Senate and as State Treasurer. He and Colorado's First Lady, Frances Owens, have three children.

Birth Date: October 22, 1950 Family: Three children Spouse: Frances Party: Republican Re-elected: 2002

Guam



FELIX PEREZ CAMACHO, prior to his election served as a senator in four sessions of the Guam Legislature, and held positions as assistant majority leader, majority whip and presiding officer of the Legislative Committee on Power, Governmental Operations, and Foreign Affairs. He also was chair of the Committee on Tourism, Transportation, and Economic Development, and served on various other committees. He represented Guam at the Asian Pacific Parliamentarian Union, the Association of Pacific Island Legislatures and the National Council of State Legislators. Born in Camp Zama, Japan, Camacho attended Marquette University and graduated with a degree in business administration and finance in 1980. He worked with the Pacific Financial Corp. as an insurance manager in the property casualty division before joining IBM as an account administrator. He has been active in community affairs and was a recipient of the Pacific Jaycees, Three Young Outstanding People Award.

Birth Date: October 30, 1957 Family: Three children Spouse: Joann Party: Republican Elected: 2002

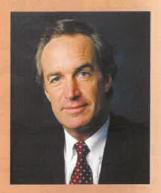
Hawaii



LINDA LINGLE, the sixth elected governor of Hawai'i and the first woman to lead the Aloha State (who previously served two full terms as Mayor of Maui County and ten years on the Maui County Council), assumed office in December 2002 following a campaign in which she pledged to bring about a "New Beginning." A native of Missouri, she relocated to Hawai'i in 1975 after graduating cum laude with a journalism degree from California State University, Northridge. In 1976, she founded and began serving as publisher of the Moloka'i Free Press.

Birth Date: June 4, 1953 Party: Republican Elected: 2002

Idaho



DIRK KEMPTHORNE was born in San Diego, California. He attended the University of Idaho, earning a bachelor's degree in political science in 1975. Kempthorne was elected mayor of Boise, Idaho, in 1984 and was elected to the U.S. Senate in November 1992. Kempthorne served on the Environment and Public Works Committee, where he chaired the Drinking Water, Fisheries, and Wildlife Subcommittee. He also served on the Armed Services Committee and the Small Business Committee. Governor Kempthorne was elected Governor in 1998 and re-elected in 2002. He is a former chairman of the WGA and the National Governors Association. At publication of this report, his nomination by President Bush to be Secretary of the Interior was pending before the U.S. Senate.

Birth Date: October 29, 1951 Family: Two children Spouse: Patricia Party: Republican Re-elected: 2002

Kansas



KATHLEEN SEBELIUS is the nation's first daughter of a Governor (Ohio Gov. John Gilligan) to be elected to the same position. Her first elected service began in 1987 with election to the Kansas House of Representatives, where she served until 1994. In 1994 she was elected Insurance Commissioner and received recognition as one of Governing Magazine's Top 10 Public Officials in 2001. In 2002 she was elected as the 44th Governor of Kansas. Modern Healthcare Magazine listed her among the 100 most powerful people in the healthcare field that same year. Sebelius was born in Cincinnati, Ohio, to John and Katie Gilligan in 1948. She received a political science degree from Trinity College and a master's degree in public administration from the University of Kansas. Sebelius was the youngest member to be appointed to the Kansas Governmental Ethics Commission.

Birth Date: May 15, 1948 Family: Two children Spouse: Gary Party: Democrat Elected: 2002

Montana



BRIAN SCHWEITZER, elected Governor in November 2004, is Montana's first Democratic Governor since 1988. The fourth of six children, he was raised on his parent's registered cattle ranch in the Judith Basin, Montana. Governor Schweitzer earned a Bachelor of Science degree in International Agronomy from Colorado State University, and later earned a Master of Science degree in soil science from Montana State University. After graduation, he and his wife, Nancy, began a career of irrigation development that took them to Africa, Asia, Europe and South America. The Governor has extensive farming and ranching experience in Montana and successful agricultural business projects on five continents. In 1993, he was appointed by the U.S. Secretary of Agriculture to serve on the Montana State USDA Farm Service Agency committee. He has been active in developing and implementing national farm policy, including his participation on the National Drought Task Force to review policy and report to Congress on improved coordination response to drought emergencies nationwide.

Birth Date: September 4, 1955 Family: Three children Spouse: Nancy Hupp

Party: Democrat Elected: 2004

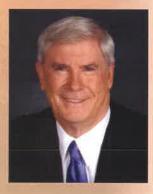
Nebraska



GOVERNOR HEINEMAN was sworn-in as Nebraska's 39th Governor in January, 2005, following the confirmation of former Governor Mike Johanns as the United States Secretary of Agriculture. As Lt. Governor, Governor Heineman served as Nebraska's director of homeland security, chairman of the Nebraska Information Technology Commission (NITC), and the presiding officer of the Nebraska Legislature. Dave Heineman is a native Nebraskan. He was born in Falls City, graduated from the United States Military Academy at West Point and served five years in the US Army, rising to the rank of captain. He was first elected to a statewide office in 1994, as the Nebraska State Treasurer. He was re-elected to that post in 1998.

Birth Date: May 12, 1948 Family: One child Spouse: Sally Ganem Party: Republican

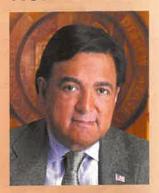
Nevada



KENNY C. GUINN was born in Garland, Arkansas and grew up in Exeter, California. He earned undergraduate and graduate degrees in physical education from Fresno State University in 1959 and 1965, respectively, and a doctorate in education from Utah State University in 1970. In 1964, Guinn went to work for the Clark County School District as a planning specialist. Within five years, he was named superintendent of schools in Clark County and served in that position until 1978. At that time he was hired as administrative vice president for Nevada Savings and Loan in Las Vegas, which later became PriMerit Bank, and in 1987 he was appointed chairman of the board of directors. Soon thereafter, Guinn was recruited to the energy business as president of Southwest Gas Corporation, eventually becoming chairman of the board of directors in 1993. In 1995, he served as interim President at the University of Nevada, Las Vegas, where he donated his salary to student scholarships. He continued working in the private sector until running successfully for Governor in 1998.

Birth Date: August 24, 1936 Family: Two children, six grandchildren Spouse: Dema Party: Republican Re-elected: 2002

New Mexico



BILL RICHARDSON, born in Pasadena, California, became Governor of New Mexico in 2003. Richardson previously had served the state as a congressman for 15 years and served the nation as Ambassador to the United Nations, a post to which he was confirmed in 1997, and as Secretary of the Department of Energy, to which he was confirmed in 1998. Prior to his election as Governor, Richardson taught in 2001 at the Kennedy School of Government at Harvard University and at the United World College in Montezuma, New Mexico. He also served as chair of the nonprofit, nonpartisan Freedom House, which promotes democracy worldwide. Richardson's work on human rights and his diplomatic efforts are among reasons for four nominations for a Nobel Peace Prize over the years between 1995 and 2001. He is a past chairman of the Western Governors' Association.

Birth Date: November 15, 1947

Spouse: Barbara Party: Democrat Elected: 2002

North Dakota



JOHN HOEVEN, North Dakota's 31st Governor, has focused his administration on six pillars: excellence in education, economic development, agriculture, energy, technology and quality of life. Born in Bismarck, Governor Hoeven earned a bachelor's degree from Dartmouth College in 1979 and a master's degree in business administration from Northwestern University in 1981. He served as executive vice president of First Western Bank in Minot from 1986 to 1993 and established a strong position of service in many civic, community and economic development activities. From 1993–2000 he served as president and CEO of Bank of North Dakota (BND), which grew from \$900 million to \$1.6 billion.

Family: Two children Spouse: Mical (Mickey) Party: Republican Elected: 2002

Northern Mariana Islands

Photo not available

BENIGNO REPEKI FITIAL was born November 27, 1945 in the Northern Mariana Islands. In 1964, he graduated with honors from Mt. Carmel High School. He studied Business Administration at the University of Guam, where he is acknowledged as a "Distinguished Alumni." He previously served as the Speaker of the Northern Mariana Islands legislature. He is a member and founder of the CNMI Covenant Party.

Birth Date: November 27, 1945
Family: Six children, four
grandchildren
Spouse: Josie Fitial
Elected: 2006

Oregon



TED KULONGOSKI spent his early life in Missouri, where he was raised in a Catholic boys home in St. Louis. After completing high school and a tour of duty with the U.S. Marine Corps as a forward observer with artillery regiments, Kulongoski put himself through college and law school at the University of Missouri with the help of the GI Bill and work as a truck driver and steelworker. After receiving his law degree Kulongoski established a law firm in Eugene, Oregon. He was elected to the Oregon House of Representatives in 1974 and to the Oregon Senate in 1978. In 1992 Kulongoski was elected Attorney General. Four years later, Kulongoski was elected to the Oregon Supreme Court. In 2002 he was elected Governor.

Birth Date: November 5, 1940 Family: Three children Spouse: Mary Oberst Party: Democrat

Party: Democra Elected: 2002

South Dakota



MIKE ROUNDS, WGA's Vice Chair, was elected Governor of South Dakota in 2002. Prior to serving in this position, he also served for four terms in the state Senate from 1990 to 2000. Mike, the oldest of 11 children, was born in Huron, S.D., and is a lifelong resident of Pierre. He earned a Bachelors of Science degree in political science from South Dakota State University in Brookings and met his wife, Jean. The couple has four children. Governor Rounds is part owner of Fischer, Rounds & Associates Inc., an insurance and real estate agency. He has previously served as board president of the Oahe YMCA, vice president of the Home and School Association of St. Joseph School, president of the Pierre-Ft. Pierre Exchange Club and exalted ruler of the Pierre Elks Lodge. He is also a member of St. Peter and Paul Catholic Church of Pierre, the Knights of Columbus, and Ducks Unlimited.

Birth Date: October 24, 1954 Family: Four children Spouse: Jean Party: Republican Elected: 2002

Texas



RICK PERRY was born in West Texas in 1950, the fifth generation of a farming and ranching family. He attended Texas A&M University, earning a degree in animal science in 1972. Following graduation, he served five years in the United States Air Force, flying C-130 tactical airlift aircraft in the U.S., Europe and the Middle East. Governor Perry was elected to the Texas House of Representatives from a rural, West Texas district in 1985. In 1991, be began to serve the first of two terms as Texas Commissioner of Agriculture. He was elected Lieutenant Governor in 1998, and was sworn in as Governor of Texas in December 2000, following the election of former Governor George W. Bush as President. He was elected Governor in 2002.

Birth Date: March 4, 1950 Family: Two children, six grandchildren Spouse: Anita Party: Republican Elected: 2002

Utah



JON HUNTSMAN, JR., a seventh generation Utahn, attended the University of Utah and graduated with a bachelor's degree from the University of Pennsylvania. As a business executive, he has held several leadership positions with Huntsman Corporation, most recently as Chairman and CEO of its holding company. His public service career includes serving as a White House staff assistant to President Ronald Reagan. Under President George H. W. Bush, he was deputy assistant secretary of commerce for trade development, deputy assistant secretary of commerce for East Asian and Pacific Affairs, as well as U.S. ambassador to Singapore (the youngest U.S. ambassador in a century). He is fluent in Mandarin. He also served as a deputy U.S. trade representative and U.S. trade ambassador under President George W. Bush.

Birth Date: March 26, 1960 Family: Six children Spouse: Mary Kaye Party: Republican

Elected: 2004

Washington



CHRISTINE GREGOIRE, prior to being elected governor in 2004, served 12 years as Washington's state attorney general, the first woman elected to the position in state history. She was the lead negotiator for the states in their suit against the tobacco industry, which resulted in the largest financial settlement in history and tough, new restrictions on cigarette advertising and youth marketing. Gregoire also served as director of the Washington Department of Ecology from 1988 to 1992. During her tenure she negotiated the Tri-Party Agreement (TPA) with the federal government for the safe cleanup and permanent storage of radioactive wastes at the Hanford Nuclear Reservation in Eastern Washington. Raised in Auburn, Washington, Gregoire graduated from the University of Washington in 1969 with a teaching certificate and Bachelor of Arts degree in speech and sociology. In 1977, she received a Juris Doctorate degree and, in 1995, an honorary Doctor of Law degree from Gonzaga University.

Birth Date: March 24, 1947 Family: Two children Spouse: Michael Party: Democrat Elected: 2004

Wyoming



DAVE FREUDENTHAL, a native of Thermopolis, Wyoming, earned money to attend college in Amherst, Massachusetts, by working construction in summers as a member of the National Brotherhood of Boilermakers and Blacksmiths Union. After graduating from Amherst College in 1973, Freudenthal began work as an economist with the Wyoming Department of Economic Planning and Development. In 1975, then Wyoming Governor Ed Herschler appointed Freudenthal the State Planning Coordinator. Freudenthal completed a law degree at the University of Wyoming and began practice in Cheyenne in 1980. In 1994 Freudenthal was appointed U.S. Attorney for Wyoming, a position he held until May 2001. His civic activities have included serving as a founding director of the Wyoming Student Loan Corp., chair of the Greater Cheyenne Chamber of Commerce, and a member of the Education Policy Implementation Council, the state Economic Development Stabilization Board and the Laramie County Community Action Board.

Birth Date: October 12, 1950 Family: Four children Spouse: Nancy Party: Democrat Elected: 2002

WGA Staff Council 2005–2006

The WGA Staff Council comprises the chief of staff or top policy adviser for each Governor and meets between the Governors' annual and winter meetings to review and guide WGA activities. The council reviews proposed work plans, budgets, and policy resolutions; works out interstate differences on regional issues; and provides guidance to WGA staff. Council recommendations are conveyed to the individual Governors, as well, to keep members abreast of WGA activities. Representing each Governor's office are:

ALASKA

Robert Corbisier

AMERICAN SAMOA

Motu La'au Seui, Jr.

ARIZONA

Lori Faeth

CALIFORNIA

Dan Skopec

COLORADO

John Karakoulakis

GUAM

George Bamba

HAWAII

Linda Smith

IDAHO

Lance Giles

KANSAS

Troy Findley

MONTANA

Hal Harper

NEBRASKA

Lauren Hill

NEVADA

Steve Robinson

NEW MEXICO

Ned Farquhar

NORTH DAKOTA

William Goetz

NORTHERN

MARIANA ISLANDS

Robert Schwalbach

OREGON

Peter Cogswell

SOUTH DAKOTA

Jim Soyer

TEXAS

Zak Covar

UTAH

Neil Ashdown

WASHINGTON

Laurie Dolan

WYOMING

Pete Maxfield

Western Governors' Association Staff

Pam O. Inmann, Executive Director

Lee Alter, *Policy Analyst, Western Regional Air*Partnership

John Brenner, Natural Resources Consultant, Loaned Executive USDA-NRCS - Sage Grouse, Sagebrush Conservation Council, Invasive Species

Shanna Brown, *Deputy Director, Washington,* D.C. Office

Patrick Cummins, Program Manager – Western Regional Air Partnership, Air Quality Initiative, Mexico Air Quality Projects

Linda Davis, Financial Manager

Karen Deike, Director of Communications

Gayle Gordon, *Program Manager - Forest Health, Biomass Natural Resources*

Rich Halvey, *Project Manager – Air Quality, Mexico Air Quality Projects, Clean and Diversified Energy*

Deborah Kinsley, Administrative Secretary

Margo Ling, Accounting and Administration

William Mackie, *Program Manager, Radioactive*Waste Safe Transportation

Toni McCammon, Office Manager/Executive Secretary

Shaun McGrath, *Program Manager – Water Issues, Drought*

Christopher McKinnon, *Program Manager – Technology, Education and Health*

Tom Moore, Technical Project Coordinator, Western Regional Air Partnership

Kevin Moran, Director, Washington, D.C. Office

Paul Orbuch, Counsel – Lands and Water, Wildland Fire, Border Environment Dialogue, International Relations

Message from the Vice Chairman



Dear Friends of WGA:

I am honored to be assuming the Chairmanship of WGA.

Our outgoing Chair, Governor Janet Napolitano, has set the bar
high. I will do my best to build upon her accomplishments and
set new goals for WGA to pursue in the coming year.

I have chosen as my theme — "Making the West the Best." In addition to my colleagues' continued leadership on specific initiatives, I will focus the Association on three goals: Accelerating Energy Independence, Creating the Best Workforce and Leading the World in Technology.

In the area of energy independence, we will review and implement agreed to recommendations from the Clean and Diversified Energy Initiative. We will also explore options for increasing the use of alternative transportation fuels, including ethanol, coal-to-liquids and hydrogen. The West has the resources and the talent to lead the nation toward energy independence.

How can we ensure the West is the best in educating, training and retraining our workers? This is a critical issue for all of our states. WGA will look at ways we can transform students into tomorrow's valuable employees and leaders in the world economy; replicate worldwide best practices to meet the labor needs of the West; create seamless transitions from education to work; and even motivate today's students to become tomorrow's Einsteins. We must also recognize the important role that legal immigrants have played and will continue to play in creating a better workforce.

Finally, the West is best when it comes to technological innovation. But we cannot sit back and rest on our laurels. We need to lead the way in creating and capitalizing on technology's future. I plan to work with our technology industry to identify how states and the federal government can do a better job of encouraging innovation and technology development in the West.

I know that, together, we will make sure the "West is Best."

Sincerely,

Mike Rounds

Governor of South Dakota

M Mitsel Rouxs

Vice Chairman, Western Governors' Association

