

Finding the Right Path on Energy and Climate Change

Western Governors' Association • 2009 Annual Report

WGA Annual Meeting
Park City, Utah
June 14 -16, 2009



Dear Colleagues,

Our states and the nation have faced unprecedented challenges this past year. A struggling economy is how most will remember this difficult period, but I would suggest it will also be remembered as a time when we began creating a new path forward in energy and climate change. Within this report, you will find numerous examples of the progress being made across the West.



Last fall, the Western Governors' Association (WGA) partnered with the U.S. Department of Energy to launch the Western Renewable Energy Zones initiative. We set and achieved an aggressive goal of identifying areas within the Western Interconnection that have great potential for large-scale development and a low level of environmental impacts. Hundreds of stakeholders participated in developing maps, modeling tools and supporting information that will prove invaluable as we next focus on getting the high-voltage transmission lines to bring those resources to market.

Shortly after the election of President Obama, Governor Schweitzer and I relayed WGA's priorities for federal action on energy and climate change. We urged swift adoption and implementation of measures that will provide affordable and clean energy to sustain the country's economy, stimulate greater energy efficiency, strengthen energy security and independence, and reduce greenhouse gases.

The WGA Transportation Fuels Council completed a strategic assessment and began implementing recommendations contained in the 2008 report, "Transportation Fuels for the Future." Alternative fuel development and fuel efficiency are a high priority for the West, and several of our states have held or plan to host workshops to increase the development and use of biofuels and other alternative fuels.

These are just a few examples of WGA's work this past year. Significant work is also being done to improve forest and rangeland health, ensure sustainable water, improve air quality, transport radioactive waste safely and address immigration reform.

The West is leading the way in policies, initiatives and the hard work necessary to sustain our economies and build a diverse, secure energy future for our region and our nation. It has been my honor to guide these efforts throughout the past year.

Sincerely,

A handwritten signature in blue ink that reads "Jon M. Huntsman, Jr." The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jon M. Huntsman, Jr.
Governor of Utah
Chairman of the Western Governors' Association

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Chairman

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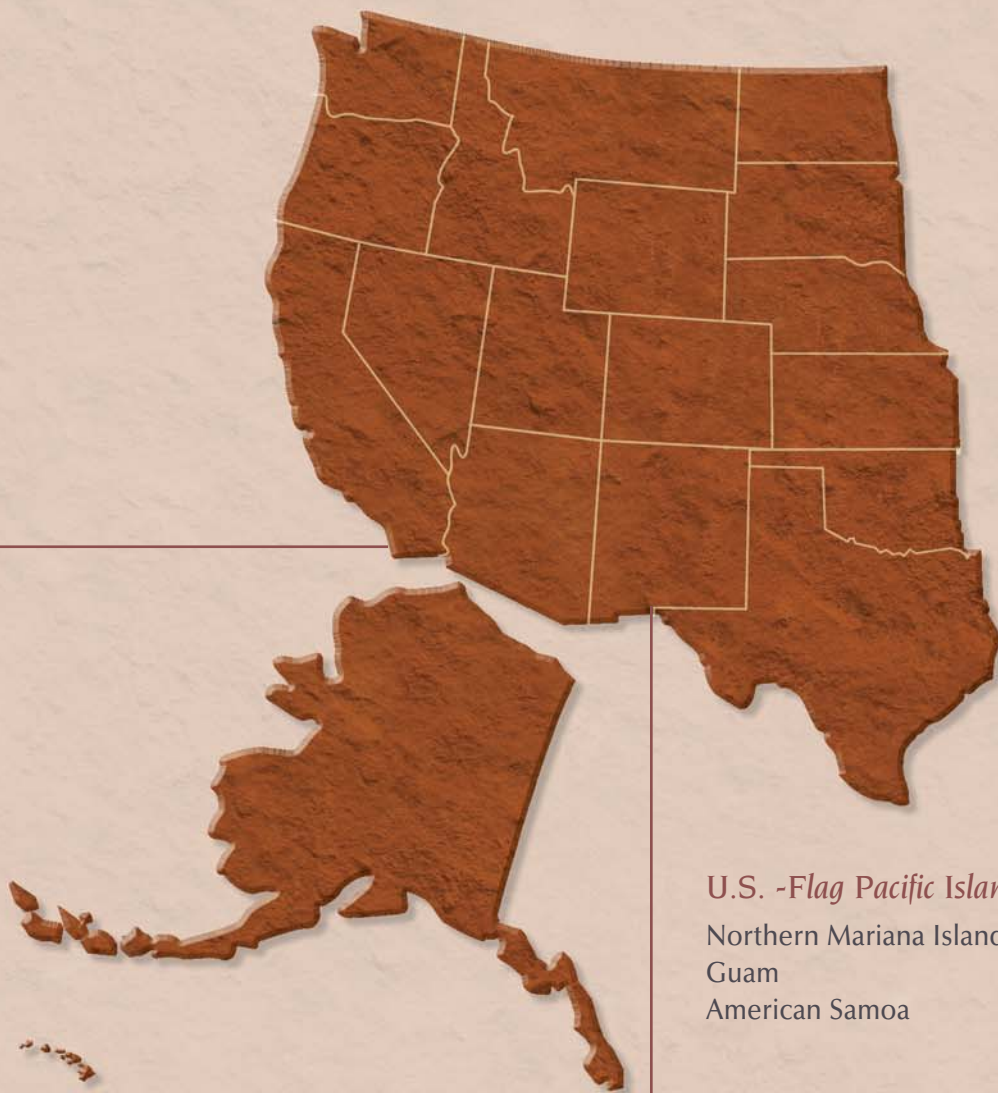
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WESTERN GOVERNORS' ASSOCIATION

About the Western Governors' Association

The Western Governors' Association is an independent, nonpartisan organization of Governors representing 19 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 up to 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, lead Governors direct activities, develop proposed positions, chair related meetings, and provide 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 financial support over the past year:

- British Petroleum
- Chevron
- ConocoPhillips
- Doris Duke Charitable Foundation
- Federal Highway Administration
- National Fish and Wildlife Foundation
- Nature Conservancy
- Rockefeller Brothers Fund
- Southwest Partnership for Carbon Sequestration
- The Energy Foundation
- The William and Flora Hewlett Foundation
- Turner Foundation, Inc.
- U.S. Department of Agriculture
 - U.S. Forest Service
 - Rural Development Program
 - Natural Resources Conservation Service
- U.S. Department of Commerce, National Oceanic and Atmospheric Administration
- U.S. Department of Energy
 - Office of Energy Efficiency and Renewable Energy, Office of the Biomass Program
 - Office of Electricity and Energy Reliability
 - Office of Environmental Management, Carlsbad Field Office
 - National Renewable Energy Laboratory
 - National Energy Technology Laboratory
 - National Transportation Program, Office of Civilian Radioactive Waste Management
 - Office of Fossil Energy
- U.S. Department of the Interior
 - Bureau of Reclamation
- U.S. Department of Transportation
- 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
- Western Association of State Highway and Transportation Officials
- Wilburforce Foundation
- Wildlife Conservation Society

Year in Review

July 2008 - June 2009

Energy

Addressing the Challenges of Energy and Climate Change

Transforming the country's energy infrastructure and economy while reducing greenhouse gas emissions is a top priority for Western Governors, who have been working with and urging swift action by the Obama Administration and Congressional leaders.

Governors Jon M. Huntsman, Jr., Chairman of the Western Governors' Association, and Brian Schweitzer, Vice Chairman, met in November with then President-Elect Obama's transition team and Congressional leaders to discuss WGA's bipartisan recommendations. The Governors have called for swift adoption and implementation of an energy plan that will provide affordable and clean energy to sustain the country's economy, stimulate greater energy efficiency, strengthen energy security and independence, and reduce greenhouse gas emissions.

"The transformation we are talking about is broad based and will require new policies, incentives, market mechanisms and private-public partnerships to be in place by the end of 2009," Huntsman said.

The governors' letter outlined policies and incentives that would help states and the country move more aggressively to develop clean and renewable energy resources that include wind, solar, biomass, geothermal, hydro and fossil fuels with carbon capture and storage.

"Western states are the country's energy breadbasket, but energy efficiency has also got to play a much bigger role," Schweitzer said. "That includes everything from manufacturing more fuel-efficient vehicles to changing regulatory structures so they reward utilities for achieving reduced energy usage among their customers."



Included in the governors' recommendations are:

- Establishment of an aggressive and achievable national greenhouse gas emissions reduction goal that will put the United States on a path to contribute to global climate stabilization.
- A mandatory national system for reducing greenhouse gas emissions that makes maximum use of market-based mechanisms. Revenue raised should not be used as a means of sustaining or expanding general governmental operations.
- A national energy efficiency program to reduce existing and future energy demand and thereby reduce greenhouse gas emissions.
- Establishment of an oil import reduction goal that strengthens energy security and independence. Since nearly 90 percent of oil is used for transportation, an energy plan must bring more fuel-efficient and near-zero emission vehicles into the market; increase the supply of domestically produced, low-carbon fuels; minimize the economic and technological uncertainties inherent in deploying high efficiency vehicles and developing and using non-petroleum transportation fuels; and reduce vehicle miles traveled and increase mass movement of people and goods.
- Affordability for lower income energy consumers through energy efficiency and cost assistance programs.

- Measures that support workforce development and clean energy jobs, adaptation to climate change impacts, reduced consumer impacts – particularly for low-income consumers – and transition assistance to industries.
- Creation of a substantial, long-term national public investment on the scale of tens of billions of dollars annually will be needed, along with a similar investment from the private sector, to support the kind of basic and applied research and deployment of clean energy technology and infrastructure that will result in:

- Near-zero greenhouse gas emissions from new coal-fired electricity generation in 10 years and from existing generation no later than 2030.
- Dramatically increased energy from wind, solar, geothermal, hydro and biomass resources.
- Expansion and upgrade of the electricity transmission grid and storage capabilities.
- Advanced vehicle and battery technologies and alternative transportation fuels.
- Next generation energy efficiency technologies and practices.

The governors' letter and related information are available on the WGA Web site at www.westgov.org. Lead Governors for Energy issues are Freudenthal, Hoeven, Richardson, Rounds, Schwarzenegger and Schweitzer. Leads for Climate Change are Governors Richardson and Schwarzenegger.

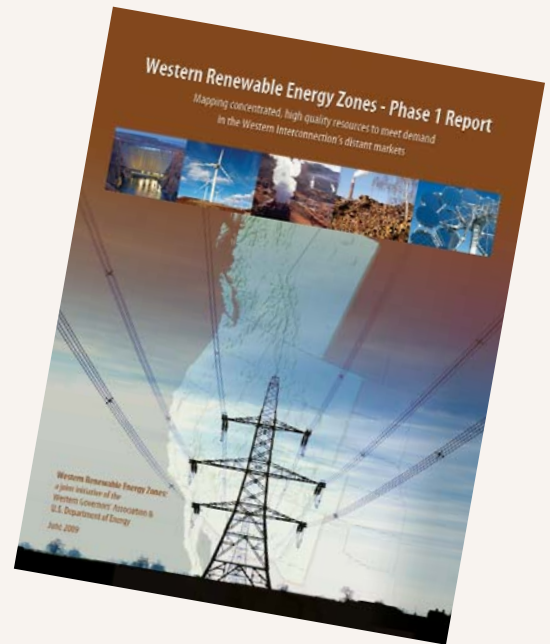
Western Renewable Energy Zones

In an effort to facilitate the construction of new, utility scale renewable energy facilities and any needed transmission to deliver that energy across the Western Interconnection, the Western Governors and the U.S. Department of Energy launched the Western Renewable Energy Zones initiative last summer. This work is being conducted in four phases, the first of which concluded in May.

The WREZ is using a broad, stake-

holder based process that includes the U.S. Departments of Interior and Agriculture, the Federal Energy Regulatory Commission, Canadian provincial Premiers, and a diverse group of stakeholders representing renewable energy developers, tribal interests, utility planners, environmental groups and government policymakers.

A report on the first phase of work summarizes several important outcomes. First, and foremost, important steps were



taken in identifying those areas throughout the Western Interconnection that have the potential for large scale development of renewable resources in areas with low environmental impacts.

Stakeholders developed and applied criteria to assess renewable resources across the region and a methodology for identifying and characterizing specific resource-rich areas that could become a WREZ. This included screening out areas where development is prohibited or severely constrained by regulation or statute, as well as known incompatibilities with renewable technologies. The stakeholders will continue to work toward refining WREZs by evaluating screens to the areas to balance the benefits of renewable energy development with the need to protect wildlife and crucial habitat.

The publication of the WREZ report also marks the completion of important work that will assist the evaluation of a variety of transmission strategies. The intention of the WREZ initiative is not simply to identify renewable energy zones in the Western Interconnection, but to facilitate the development of high voltage transmission to those areas with the potential for abundant renewable resources and low or easily mitigated environmental impacts.

A modeling tool also was developed to evaluate the relative economic costs of renewable resources on a delivered basis, including transmission costs, from specific renewable resource areas delivered to specific load centers. The Web-based model will be available to anyone who wants to calculate how much energy could be supplied from a WREZ to load centers across the region.

Stakeholders felt it was important to also identify the breadth of renewable energy potential across the Western Interconnection beyond the potential that can be found within identified zones. The initiative recognizes that its work on regional development can and should be done in concert with more localized efforts to utilize the most cost effective renewable energy resources in the Western Interconnection.

Moving forward, the WREZ initiative will undertake a range of efforts to lay the foundation for promoting the efficient regional development, procurement and delivery of energy from renewable resource areas to multiple population centers throughout the Western Interconnection, while balancing important considerations, including state objectives and wildlife sensitivities.

Leads for the WREZ initiative are Governors Freudenthal, Huntsman and Otter. Support for this program is provided by the U.S. Department of Energy

Transportation Fuels for the Future

Significant progress was made this past year in implementing recommendations from WGA's 2008 report entitled, *Transportation Fuels for the Future*. It is notable that despite the economic downturn, alternative fuel development and fuel efficiency remain a high priority for the states.

A diverse group of stakeholders participated in a collaborative process to assist in developing the report. It provides a comprehensive overview of the potential of alternative fuels, as well as the challenges and opportunities for promoting their development regionally.

Following adoption of the report, the Governors created the WGA Transportation Fuels Council to oversee implementation



Gov. Brian Schweitzer addressing the Montana Bioenergy Workshop.

of their many recommendations. The council continues to meet regularly to discuss state initiatives, federal policy and opportunities for regional collaboration.

The council is expected to complete a follow-up report by early summer 2009. It will identify priority issues where Western states could collaborate and offer recommendations to Congress and the Administration. Those issues include water, infrastructure coordination and vehicle fuel efficiency. The Council also has formed a subcommittee to develop a framework for a regional performance-based greenhouse gas standard.

Related Resolutions on Energy

- *Clean and Diversified Energy for the West*
- *Transportation Fuels for the Future*
- *Changes Needed in Electric Power System to Meet Clean Energy Goals*
- *Transitioning the West to Clean Energy and Energy Security*
- *Transportation Fuels for the West: A Roadmap for Energy Security and Improving the Environment and the Economy*
- *Oil and Gas Policy for the West*
- *Advancing Deployment of Near-Zero Emission Coal*
- *Tax Exempt Status for Bonds for Transmission Line Authorities*

A Western Strategic Assessment of Bioenergy was completed this past year. The assessment examines the potential for future development and creates a comprehensive framework to assess the environmental, technical and socio-economic impacts associated with national, state and regional bioenergy and biomass management policies.

While this assessment does not represent the adopted policy of the Governors, it is already assisting them individually and collectively as they develop bioenergy policies and strategies. WGA is continuing this work through the development of a National Bioenergy Siting Model, which will generate higher quality data and have the capability to produce more extensive analysis of the impacts of bioenergy development, as well as existing and future policies.

Advanced biofuels workshops were hosted by WGA this past spring in Colorado and Montana. The workshops were focused on continuing to advance the dialogue on how the West can sustainably develop its biomass potential and increase the use of domestic renewable resources. WGA plans to conduct similar workshops in other states to ensure continued outreach and communication as the Governors contemplate a variety of issues surrounding the increased development of biofuels. WGA also participates in the National Biomass Partnership to educate state decision-makers and ensure that inter-regional perspectives are communicated.

Leads for this program are Governors Gregoire, Henry and Rounds. Financial Support is provided by The Energy Foundation, the U.S. Department of Energy and the U.S. Department of Agriculture.

Environment

Water

Improved coordination among the states and federal agencies was a key recommendation in the report "Water Needs and Strategies for a Sustainable Future" and a subsequent "Next Steps" report. The reports were developed by WGA and its affiliate, the Western States Water Council.

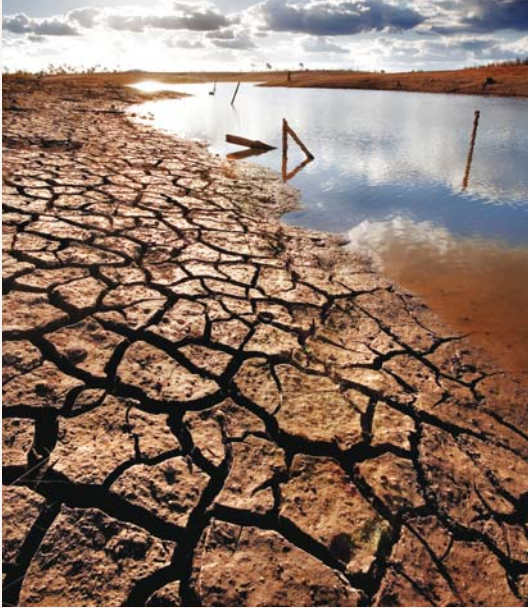
Subsequently nine federal agencies formed the Western States Federal Agency Support Team (WestFAST), pooling their resources to support a federal liaison officer to assist in developing a work plan for implementing the reports' recommendations. Following is a summary of actions taken over the past year and future work.

A grant from the National Oceanic and Atmospheric Administration, is



allowing states to work more closely with scientists, water managers and water users to better understand vulnerabilities of water systems due to climate change and to develop drought preparedness plans and climate adaptation strategies. NOAA's National Integrated Drought Information System, which WGA supported, will be instrumental in this effort. The first in a series of workshops throughout the West is planned for October of 2009.

WGA and the Water Council also are active in implementing provisions of the Rural Water Supply Act, particularly



those provisions that call for federal and state coordination and consultation in assessing rural project needs and federal program resources.

Both of the water reports addressed adaptation to climate change. WGA and the council assisted the California Department of Water Resources in sponsoring a workshop on the topic last year and another is planned for November. Participants are focusing on the need to be prepared for increased variability with respect to precipitation snowpack, snowmelt runoff, droughts, floods and other severe climatic events.

Last fall, testimony regarding Indian water rights settlements was presented before the House Resources Committee Subcommittee on Water and Power. Of particular note is the enactment of legislation that is consistent with a water report recommendation that called for settlement agreements to be funded by revenues from the Reclamation Fund. An Indian Water Rights Settlement symposium, cosponsored by the WSWC and the Native American Rights Fund, will be held in August in Washington.

The nexus between energy use and development and water resources is an area of growing concern, recognizing both the scarcity and interrelated nature of these resources. With WGA oversight, the WSWC identified and explored energy issues as they relate to water resources and intends to compile existing information addressing potential implica-

tions for Western water resources from anticipated energy development, with an emphasis on ways to mitigate such impacts.

Leads for this issue are Governors Otter, Richardson, Ritter and Rounds. Support for this program comes from the National Oceanic and Atmospheric Administration.

Air Quality

During 2009, member states of the Western Regional Air Partnership worked toward completing their 10-year plans for reducing regional haze that can impair the incredible vistas in our national parks and wilderness areas. The states are continuing to implement emissions controls for regional haze and are addressing other Clean Air Act milestones as the haze plans are approved by the U.S. Environmental Protection Agency. The WRAP is managed jointly by WGA and



the National Tribal Environmental Council and provides support to the states' collective efforts in reducing haze-causing pollution. Sources contributing to regional haze range from traditional smokestack and mobile sources to energy production, wildland fire, fugitive dust, off-shore marine shipping and international transport.

WRAP's strategic work plan through 2011 calls for a "one-atmosphere" technical analysis approach for managing and improving Western air quality across the region, even as each state creates its own air quality management plan and implements state-specific air pollution control strategies.

Related Resolutions on Environment

- *Western Air Quality*
- *Regional and National Policies Regarding Global Climate Change*
- *Water Quality Issues in the West*
- *The Safe Drinking Water Act*
- *State Authority Regarding the Federal Hydropower Licensing*
- *Watershed Restoration through Partnerships*
- *Federal Non-Tribal Fees in General Water Adjudications*
- *Negotiated Indian Water Rights Settlements*
- *Assessing the Risks of Terrorism and Sabotage Against High-Level Nuclear Waste Shipments to a Geologic Repository or Interim Storage Facility*
- *Private Storage and Transportation of Commercial Spent Nuclear Fuel*
- *U.S. Department of Energy Waste Isolation Pilot Plant (WIPP) and Transportation of TRU Waste*
- *Enhancing Security During Transport of Radioactive Materials in Quantities of Concern*
- *Department of Energy Facilities Cleanup Program*
- *Transportation of Spent Nuclear Fuel and High-Level Radioactive Waste*

The WRAP project provides support for all the states in the region to seamlessly address implementation of haze plans, recent and ongoing changes to the ozone and particulate matter air quality standards, as well as coordinated air pollution analysis. Future regional air quality analysis will also include estimates of the range of impacts from climate change on air quality.

The WRAP is assisting its members with voluntary Greenhouse Gas reporting protocols for the field exploration and production activities of the oil and gas industry. The protocols are expected to be completed by the fall of 2009 and will enable states and affected companies throughout the WGA region to have a common procedure to count and report emissions from the upstream field operations of the oil and gas sector.

WGA staff will continue to assist Mexico's governments at all levels to build institutional capacity to develop and manage air quality in order to reduce emissions that cross the border into the U.S. This project will support the update and improvement of the Mexican air emissions inventory.

Support for this program is provided by the U.S. Environmental Protection Agency and states, which make contributions for specific projects.

Nuclear Waste Transportation

WGA's Radioactive Waste Transportation Program is dedicated to the safe and uneventful transportation of nuclear waste and has overseen thousands of shipments while maintaining an extraordinary safety record over the past 20 years. In March, Waste Isolation Pilot Program reached its 10-year milestone, completing more than 7,400 shipments, traveling over 8.7 million miles and permanently disposing of over 113,000 containers at the WIPP facility.

Several thousand rail and highway shipments of transuranic and low-level waste originate, pass through or terminate in Western states each year. During 2009, more than 1,100 shipments will

pass through Western states on their way to permanent underground disposal at the WIPP site in New Mexico. These shipments have contributed to the U.S. Department of Energy's significant cleanup of several Western facilities:



Rocky Flats in Colorado, the main site at Lawrence Livermore National Laboratory in California, and the Kansas City Plant.

In 2008, DOE announced its intentions to begin shipments from designated "small quantity sites," including several in the West. WGA is working with the Western states and DOE to ensure that these shipments meet the Governors' expectation of being safe and uneventful.

The continued success of the WGA Radioactive Waste Transportation Program can be traced to the collaborative efforts of 12 Western states and the U.S. Department of Energy Carlsbad Field Office and Office of Environmental Management. At their 2009 Annual Meeting, the Governors and Secretary of Energy will sign a memorandum of agreement reaffirming their shared commitment to continuing this collaboration.

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. The WIEB High Level Waste Committee will continue to engage with Congress and the Administration as the future of the nation's high-level nuclear waste policy is determined.

Governors Huntsman, Otter and Richardson serve as leads for these programs, which are supported with funding from the U.S. Department of Energy.

Lands

Forest and Rangeland Health

Recognizing the need for a broader focus on forest and rangeland health, the Governors' Forest Health Advisory Committee was re-formed in December to address a wider range of issues, including sustainable forest management, forest mortality from insects and diseases, and the use of woody biomass for energy production. Sustainable healthy forests and rangelands help provide clean and abundant water, clean air, resources for renewable energy, carbon sequestration, fish and wildlife habitat, and recreational opportunities.

The committee's membership includes non-governmental entities representing a variety of interests, including communities, environmental conservation groups and international organizations. Governmental representation includes federal, state and county level agencies that deal with forestry and energy issues.

The advisory committee also continues to work on implementing the National Fire Plan and the 10 Year Comprehensive Strategy for reducing wildland fire risks. Most significant this past year was the

completion of the Community Guide to Preparing and Implementing a Community Wildfire Protection Plan. A newly created group called Partners in Fire Education is working on developing educational messages to help the public understand the role of fire in a forested ecosystem. Additional information on these efforts is available on the WGA Web site.

This past year WGA joined the Partner Caucus on Fire Suppression Funding Solutions, a coalition of 64 organizations. The group is working to address the issue of increased costs for wildfire suppression, which is hampering the ability of land management agencies to fund other programs. This trend in increasingly higher costs to suppress fires is expected to only get worse due to hazardous fuels build-up, changes in climate conditions, and increasingly populated wildland-urban interface areas. Without a resolution to the problem, suppression costs will continue to consume a larger percentage of agency budgets, while reducing or eliminating funding for fire prevention and hazardous fuels reduction projects.

Leads for this issue are Governors Huntsman and Kulongoski. Financial support is provided by the U.S. Department of Agriculture, U.S. Forest Service and U.S. Department of Interior.

Western Governors' Wildlife Council

WGA has begun implementing recommendations included in the Wildlife Corridors Initiative report, adopted by the Governors at the June 2008 Annual Meeting. The Western Governors' Wildlife Council was formed to coordinate and oversee the identification of key wildlife corridors and crucial wildlife habitats so the vast number of species that depend on them can be conserved for future generations. Governors from 15 states have appointed representatives to serve on the council, which held its first meeting in December.



If not reforested, burned areas are often replaced by brush and invasive species.

Related Resolutions on Lands

- *Protecting Wildlife Migration Corridors and Crucial Wildlife Habitat in the West*
- *Sage Grouse and Sagebrush Conservation*
- *Reauthorization and Amendment of the Endangered Species Act of 1973*
- *Restoration Economy*



- *Restoring and Maintaining a Sustainable Road System on Federal Lands*
- *Open Spaces*
- *Achieving Sustainable Forests*
- *Improving Forest and Rangeland Ecosystem Health in the West*
- *Farm Bill Reauthorization and Western Agriculture*
- *Western Conservation Corps*

In order to identify corridors and crucial habitats, the council is working to coordinate state efforts to establish data-driven, decision support systems. There is great opportunity for states to improve their data quality, mapping, decision-making capabilities and cross-boundary coordination on wildlife issues. As the council moves to identify criteria for a coordinated set of systems, it will work with Congress, federal agencies, tribes, local governments, the conservation community and industry. These systems are a critical component in helping states better plan for and mitigate the impacts of development and climate change on wildlife.

Using the Western Renewable Energy Zones initiative as a pilot, 11 council members from the states engaged in the WREZ process, developing a specific data request to solicit and map crucial habitat and wildlife corridors within each state. Hundreds of datasets were collected, reviewed and mapped. The data was categorized based on the level of wildlife sensitivity to potential renewable energy development, and that information is being used to assess and identify areas best suited for resource development and the transmission that will be needed to bring it to market.

This effort is significant as it marks the first time state wildlife agencies have proactively provided information on crucial habitats and wildlife corridors as part of a regional planning process. The council is expected to continue providing data during future phases of the WREZ process that focus on transmission.

Governor Freudenthal is leading this initiative on behalf of WGA. Financial support is provided by the Doris Duke Charitable Foundation; National Fish and Wildlife Foundation; Turner Foundation, Inc.; U.S. Department of Defense; Wilburforce Foundation; Wildlife Conservation Society; and The William and Flora Hewlett Foundation.



Conservation of the Greater Sage-Grouse

Western Governors continue to monitor the conservation status of the Greater Sage-Grouse following a decision by the U.S. Fish and Wildlife Service to add the grouse to the Threatened and Endangered Species list. The WGA Sagebrush Conservation Committee is considering next steps in the development of draft legislation for Sage Grouse conservation.

Members of that committee are coordinating their efforts with those of the Western Association of Fish and Wildlife Agencies. Together, they formed the North American Sagebrush Ecosystem Conservation Act Task Group, which is tasked with developing draft legislation similar to the North American Wetlands Conservation Act.

This task group also will coordinate its efforts with the Western Governors' Wildlife Council as it moves forward.

Governors Gibbons, Otter and Ritter serve as leads for this issue.

Development

U.S./Mexico Border Security and Comprehensive Immigration Reform

Shortly after taking office, President Obama announced his intention to pursue comprehensive immigration reform, which the Governors have advocated for the past three years. They look forward to working with the new Administration and Congress to make the nation's immigration policies work better for America.

The U.S.-Mexico border experiences

more legal and illegal crossings than any other border in the world. In the past, more than a million people crossed the border illegally each year, most of whom are of Mexican origin, with a growing percentage coming from countries other than Mexico. Large segments of the border are either left unguarded or have been staffed with an insufficient number of U.S. Border Patrol agents for many years.

As a result of the shared border and proximity to Mexico, unauthorized migration places a disproportionate financial burden on the Western states' environment, as well as their health care, education and criminal justice systems. Illegal immigration, however, is not solely a Western issue. It impacts the economy of the entire nation.

Drug and weapons smugglers cross our borders along with individuals searching for economic opportunity. Securing our southern border is essential to protecting public safety and must go hand-in-hand with any effort to address the economic and humanitarian consequences associated with illegal immigration

The Governors support enactment of a long-term comprehensive national immigration policy that will strengthen security along the southern border, create



a temporary guest worker program without amnesty to meet specific workforce needs, and provide reimbursement for local and state governments now filling the enforcement void.

Governor Huntsman and former Governor Janet Napolitano lead this effort on behalf of WGA.

Transportation

For Western states to be competitive in the global economy, the region's transportation systems must function smoothly to get their goods to market. The Governors have expressed concern about the adequacy of the region's transportation infrastructure, which is compounded by the fact that our population is growing faster than any other region.

Until the recent economic downturn, an ever increasing amount of goods were being imported and exported through West Coast ports and across the borders with Canada and Mexico. That surge is expected to resume as the economy improves.

To better prepare the region for the freight traffic carried by trains and trucks throughout the West, the Western Governors' Association and the Western Association of State Highway and Transportation Officials convened a freight roundtable in April 2009. A small group of invited representatives of ports, railroads, trucking firms and state highway departments discussed ways to improve freight movement. Key recommendations include linking and integrating state policies on transportation and climate change, working toward rationalizing regional standards on trucking, and deploying new technologies to aide routing of trucks and trains.

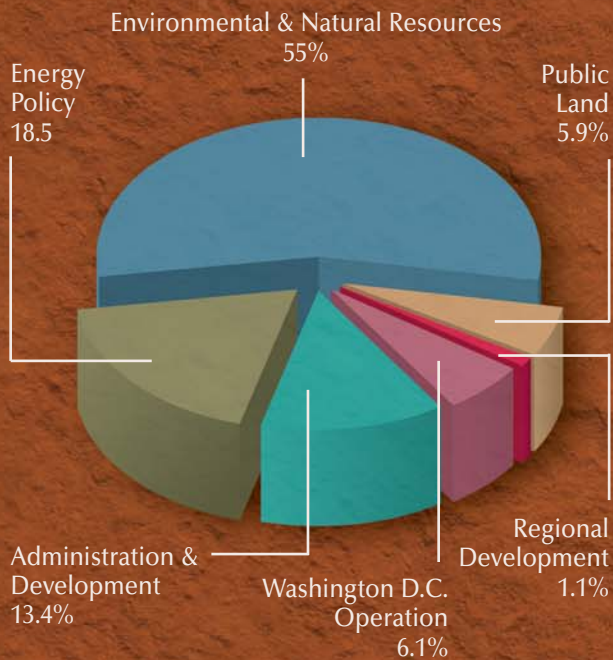
Leads for this initiative are Governors Freudenthal, Gregoire, Huntsman, Richardson, Rounds and Schweitzer. Support for this program is provided by the Federal Highways Administration, U.S. Department of Transportation and Western Association of State Highway and Transportation Officials.



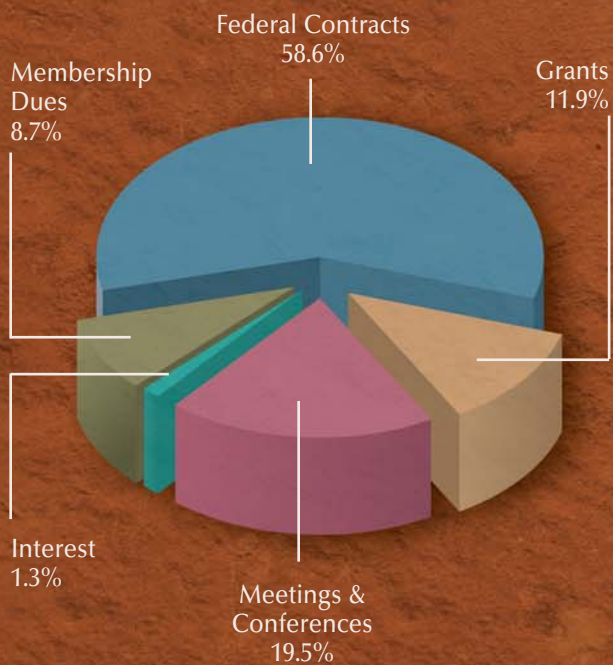
Related Resolutions on Development

- *U.S-Mexico Border Security and Illegal Immigration*
- *Transportation in the West: Ensuring Mobility, Connectivity, Accessibility, and Reliability*
- *Funding the National Highway System*
- *Geospatial Data Is Part of the Nation's Critical Infrastructure*
- *Intercity Passenger Rail Development and Amtrak*
- *Regional Air Service in the West*

FY 2008 Functional Expenses



FY 2008 Revenue



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 2008 were \$36,000 per state and \$6,000 per territory/commonwealth.

During the fiscal year ended June 30, 2008 WGA's Income totaled \$7,038,044. Approximately 60% of this amount was received from federal agencies for various projects.

Statement of Activities for the Year Ended June 30, 2008

Membership Dues	\$ 612,000
Federal Contracts	4,123,084
Grants	840,764
Meetings and Conferences	1,369,081
Interest Income	93,115
	<hr/>
TOTAL	\$ 7,038,044

Functional Expenses

Energy Policy	\$ 1,234,639
Environmental & Natural Resources	3,663,215
Public Lands	390,455
Regional Development	74,980
Washington D.C. Operations	402,972
Administration & Development	893,884
	<hr/>
TOTAL	\$ 6,660,145

Excerpted from the audit report of JDS Professional Group, Certified Public Accountants, Consultants and Advisors.

WGA Staff Council 2008 - 2009

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:

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NEVADA

Ryan McGinness

AMERICAN SAMOA

Mr. Motu La'au Seui, Jr.

NEW MEXICO

Sarah Cottrell

ARIZONA

Kevin Tyne

NORTH DAKOTA

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TEXAS

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Robert Spendlove

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Western Governors' Association Staff

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