

Gov. Arnold Schwarzenegger
California

Gov. Mitt Romney
Massachusetts

Gov. Kathleen Blanco
Louisiana

Gov. Donald Carcieri
Rhode Island

Gov. Richard Codey
New Jersey

Gov. Ruth Ann Minner
Delaware

May 25, 2005

The Honorable Pete Domenici
Chairman
Committee on Energy and
Natural Resources
United States Senate

The Honorable Jeff Bingaman
Ranking Member
Committee on Energy and
Natural Resources
United States Senate

The Honorable Lamar Alexander
Chairman
Subcommittee on Energy
United States Senate

The Honorable Byron Dorgan
Ranking Member
Subcommittee on Energy
United States Senate

Dear Senators:

As you consider the energy bill now before your committee, we urge your support for maintaining the right of coastal states and communities to participate meaningfully in the planning and permitting of significant energy projects on our shores and the outer continental shelf immediately adjacent to state waters.

As Governors, we recognize the need for a comprehensive energy policy that will lessen our dependence on foreign sources and modernize the nation's infrastructure, development, and distribution system. We see this need daily as we address the economic concerns of citizens and businesses within our states. However, provisions of the Energy Policy Act of 2005 (H.R. 6), as passed by the House of Representatives, unacceptably pre-empt state and local jurisdiction over siting of Liquefied Natural Gas (LNG) and other energy facilities.

Based on current and previous siting controversies, there is little reason to believe that the Federal Energy Regulatory Commission (FERC) is willing or able to address legitimate, long-standing state and local concerns with the siting of on and offshore projects. The provisions in H.R. 6 entrust FERC with "sole authority" for the permitting of LNG and other energy facilities, and relegate state and local agencies, which currently play a strong role in the process, to after-the-fact consideration and unreasonable timelines. Without state jurisdiction there is no guarantee a project will be consistent with the homeland security or environmental

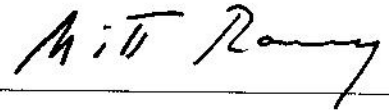
requirements for a particular locality, or whether the project adequately addresses the energy demands of the respective state or region. We support legislation that would provide for concurrent state and federal jurisdiction over LNG and other energy facilities.

We would welcome the opportunity to work together with Congress to develop a permitting process that balances the need for increased energy production with the maintenance of a robust role for states and local governments. In the meantime, we urge you to maintain the common sense measures that allow those most directly affected to have a voice in the siting of energy facilities.

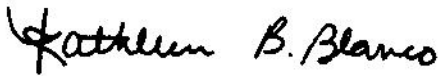
Sincerely,



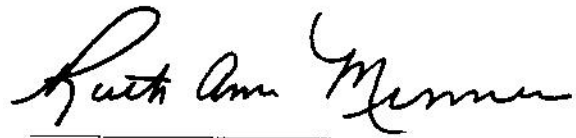
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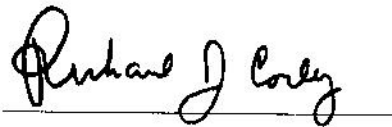
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