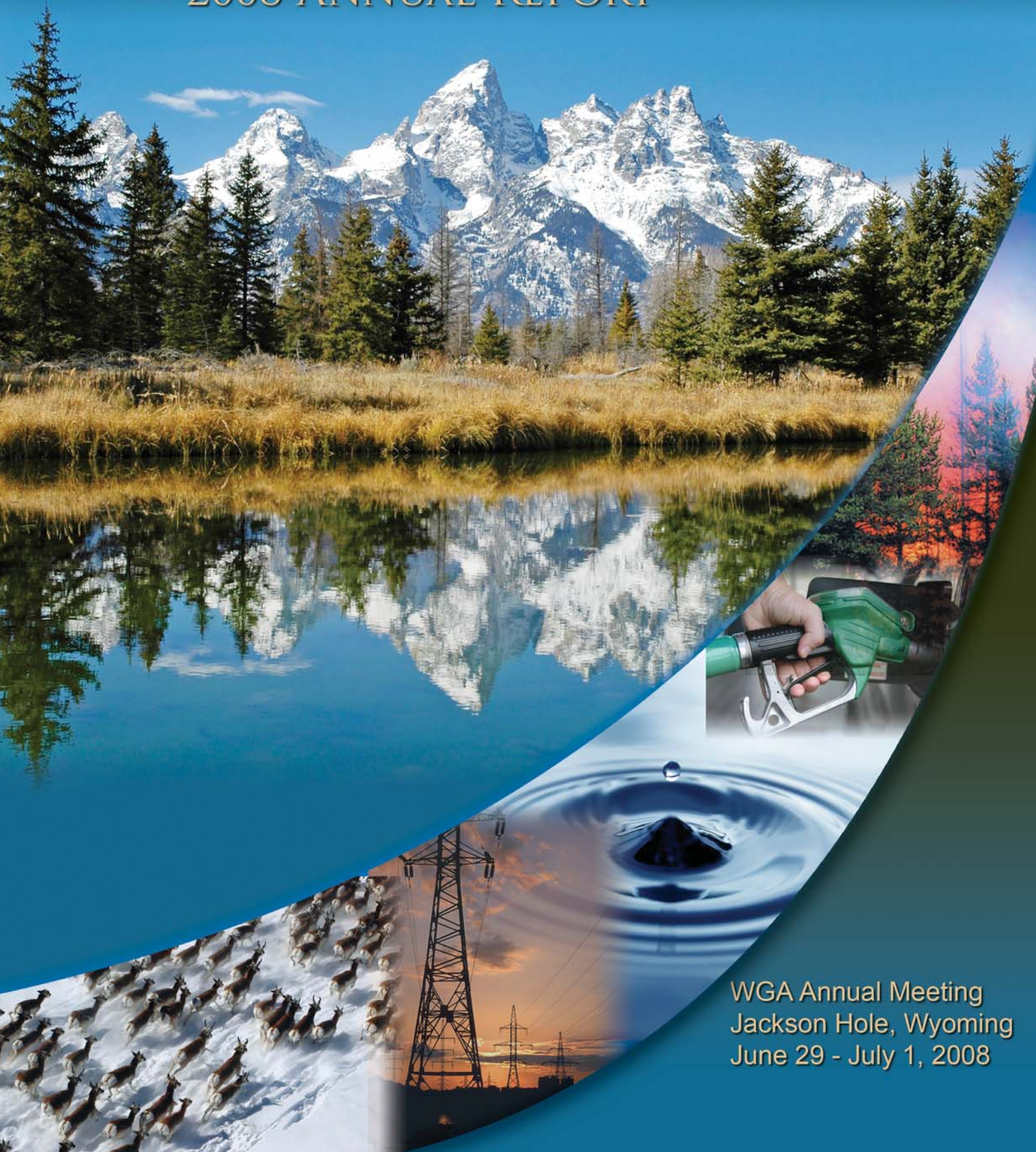


# WESTERN GOVERNORS' ASSOCIATION 2008 ANNUAL REPORT



WGA Annual Meeting  
Jackson Hole, Wyoming  
June 29 - July 1, 2008





## MESSAGE FROM THE CHAIR

*Dear Friends of the Western Governors' Association:*

*From our Western state capitals to our Nation's capital, energy policy has been front and center this past year. Many of our collective state efforts have been directed toward improving our region's energy outlook, while addressing environmental and economic concerns. This Annual Report summarizes key actions we have taken and will continue to work on to ensure we have plentiful and reliable electricity for our homes and businesses and fuel for our vehicles.*

*On the electricity front, WGA convened a workshop to consider what state and local actions and policies could help spur more energy efficient practices in constructing public buildings. Later this year, we will bring together community and state leaders and lawmakers to share their successes and how those practices or legislation can be adopted elsewhere.*

*We also brought together stakeholders to consider how our region can help create a path forward in developing near-zero technologies for coal-powered generation. They succeeded in identifying a series of actions that would ensure coal remains a viable part of our energy future, including development of a number of pilot facilities to demonstrate their effectiveness in limiting and sequestering carbon dioxide emissions.*

*Most recently, the U.S. Department of Energy joined WGA in launching the Western Renewable Energy Zones Project, which will result in vastly improved data and other information to help our region make decisions on where to build transmission lines. We also want to help bring together buyers and sellers of electricity generated from renewable energy sources.*

*As we look at increasing development of all our energy resources, we must also identify ways we can protect and preserve our wildlife and the migration routes they use to move between winter and summer habitat. That is a major topic for our Annual Meeting, and we will receive recommendations from a group that has been doing an intensive study of these issues.*

*In the transportation sector we all share the same concerns about the escalating costs of fuel, unstable foreign supplies of oil and the contribution vehicle emissions make to global warming. In February we adopted a resolution designed to speed the development and use of alternative fuels, improve vehicle fuel efficiency and reduce our dependence on foreign petroleum. The resolution incorporates many recommendations contained in our report entitled, *Transportation Fuels for the Future*, which was developed with the assistance of more than 100 energy experts.*

*I hope you will take time to read the Annual Report and learn more about all of these initiatives and other WGA programs, and provide us with your thoughts and recommendations.*

*Sincerely,*

A handwritten signature in black ink that reads "Dave Freudenthal". The signature is fluid and cursive, with a large, stylized "D" at the beginning.

*Dave Freudenthal  
Governor of Wyoming  
Chairman, Western Governors' Association*

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# 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:

- ConocoPhillips
- Doris Duke Foundation
- 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
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- 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. 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
- Wilburforce
- Wildlife Conservation Society



# YEAR IN REVIEW

## JULY 2007 - JUNE 2008

### ENERGY

#### CLEAN AND DIVERSIFIED ENERGY INITIATIVE

Major strides have been made this past year in implementing the Western Governors' goals to dramatically increase the region's development and use of clean and diversified energy. Those goals, established in 2006 as part of the Clean and Diversified Energy Initiative, include:

- ▶ adding 30,000 megawatts of clean, diverse energy by 2015;
- ▶ increasing energy efficiency 20 percent by 2020; and
- ▶ developing plans to ensure reliable, safe transmission for 25 years.

Lead Governors are Freudenthal, Hoeven, Huntsman, Otter, Richardson, Rounds, Schweitzer and Schwarzenegger. Following is a summary of actions taken and programs initiated over the past year as part of the CDEi. Financial support for CDEi comes from The Energy Foundation, U.S. Department of Energy, and Southwest Partnership for Carbon Sequestration.

#### **Western Renewable Energy Zones Project**

WGA, in cooperation with the U.S. Department of Energy, launched the Western Renewable Energy Zones project on May 28th in Salt Lake City. Gov. Huntsman and Kevin Kolevar, DOE's Assistant Secretary for Electricity Delivery and Energy Reliability, addressed the nearly 200 participants and stakeholders.

"Unprecedented challenges face the West in meeting the growing demand for electricity, while achieving local and global environmental goals," Gov. Huntsman said. "The WREZ project will help us tap our vast renewable resources and develop transmission that considers communities, environmental



impacts and costs."

Gov. Freudenthal said the information generated from the process will be invaluable to decision-makers.

"At the end of this project, we should have improved data and other information to help our region make decisions on where to build transmission lines," Freudenthal said. "I encourage everyone who has an interest in this issue to participate in the process."

The project has four phases:

- ▶ identification of renewable energy zones in the Western Interconnection;
- ▶ development of regional transmission plans to enhance access to renewable resources;
- ▶ development of a transparent process for bringing together buyers and sellers of electricity generated from renewable energy sources; and
- ▶ building interstate cooperation to address permitting and multi-state, cost-allocation issues.

By identifying concentrations of viable renewable resources the Western Interconnection, load-serving entities, transmission providers, renewable energy developers, and state regulators will be able to make better-informed decisions regarding both the costs of renewable power, as well as the development and siting of infrastructure to access areas with renewable sources of energy.

Participating in the project are 11 states, two Canadian provinces, and areas in Mexico that are part of the Western Interconnection.

#### **Related Resolutions on Energy**

- ▶ *Clean and Diversified Energy for the West*
- ▶ *Clean and Secure Energy in the West*
- ▶ *Oil and Gas Policy for the West*
- ▶ *Protecting Wildlife Migration Corridors and Crucial Wildlife Habitat in the West*
- ▶ *Establishment of a Western Interconnection Regional Advisory Body*
- ▶ *Tax-exempt Status for Transmission Authority Revenue Bonds*
- ▶ *National Interest Transmission Corridors and Energy Corridors in the West*
- ▶ *Regional Electricity Policy Making*
- ▶ *Transportation Fuels for the Future*



Guiding the initiative is a Steering Committee, comprising governors, public utility commissioners and premiers. Officials from the U.S. Departments of Energy, Interior and Agriculture, as well as the Federal Energy Regulatory Commission serve as ex officio members.

## **Energy Efficiency**

Energy efficiency and conservation represent the cornerstone of the new energy economy and continue to be a focal point for tackling the parallel challenges of growth in electricity demand, conservation of our natural resources, and a desire to reduce greenhouse gas emissions.

WGA's CDEI report emphasized the great potential for energy efficiency in the West. Implementing best practices could reduce the need for 48,000 megawatts of new generation, save 1.8 trillion gallons of water and create \$53 billion in economic growth.

The governors' work on this front earned the association the Alliance to Save Energy's most prestigious award, the Charles H. Percy Award for Public Service, which Colorado Gov. Bill Ritter

accepted on behalf of WGA at a ceremony last September.

"The majority of Western states, including Colorado, are setting aggressive energy efficiency goals and removing impediments and disincentives to energy conservation programs," Ritter told the gathering.

This past year, the governors focused their efforts on improving efficiency in public and residential buildings, since they represent roughly one-third of all energy consumption in the U.S. WGA held an Energy Efficient Buildings Workshop in July to promote implementation of energy efficient approaches and mechanisms that would lead to at least a 30 percent improvement over the current International Energy Conservation Code for buildings.

A key recommendation from that workshop was for WGA to sponsor a leadership forum on best practices for key policymakers

and lawmakers: state energy officials, legislators, municipal officials, public utility commissioners and others. Throughout the West, energy efficiency programs are being implemented successfully, and this forum will provide policymakers an opportunity to learn about those successes, the costs of different approaches and the impacts.

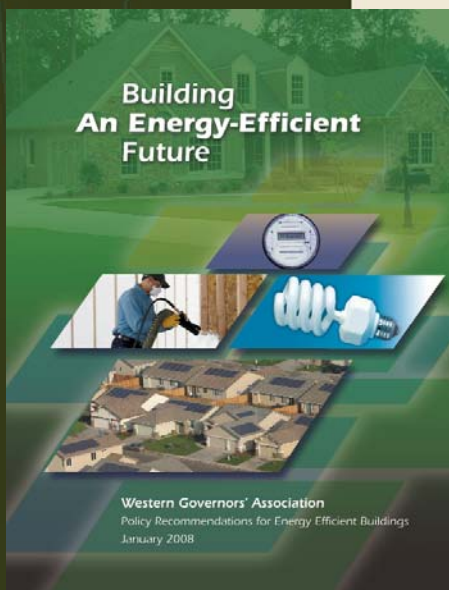
WGA will host such a forum in 2008, anticipating it will result in major gains on the energy efficiency front as more programs are created and implemented throughout the region.

## **Near-Zero Technologies for Coal: A Path Forward**

During a WGA sponsored workshop last fall, participants examined the state of current advanced coal technologies and carbon sequestration efforts and considered the best approaches for facilitating the deployment of near-zero emissions facilities. Governors have long supported the need to improve operational and environmental performance of advanced coal technologies, with the ultimate goal of achieving near-zero emissions at a competitive cost of electricity. A summary of the workshop discussions and recommendations was issued in early June.

Participants agreed that coal will be a significant source of electricity generation for the foreseeable future, and they agreed on the need to substantially control carbon dioxide emissions. They succeeded in identifying a series of actions that would ensure coal remains a viable part of our energy future, while facilitating deployment of near-zero emission technologies. Critical among these actions will be reaching an agreement on sequestration levels from new facilities.

Other areas of agreement were on the need to create a market-based system that would reward reductions of carbon dioxide emissions and the recognition that long-term financial incentives for the adoption of near-zero facilities will require much larger investments in research and technology development. Adequate funding will also be needed to research, test and monitor carbon sequestration. It will be difficult to

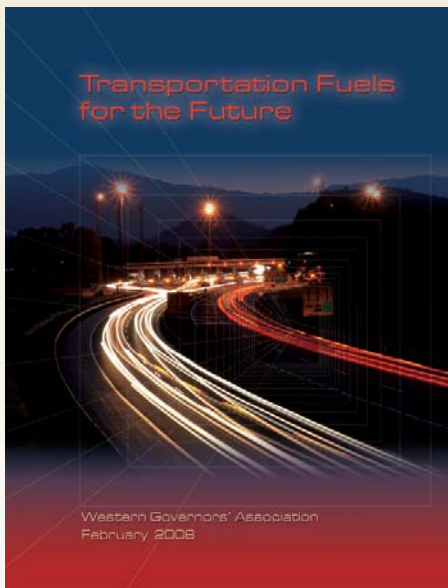


get new facilities constructed without public acceptance and adequate research that demonstrates the effectiveness and safety of carbon sequestration. Finally, there must be a number of pilot facilities built using a variety of advanced technologies and Western coals. These facilities will provide valuable information on the effectiveness of advanced coal plants in limiting carbon dioxide emissions.

## TRANSPORTATION FUELS FOR THE FUTURE

WGA's Transportation Fuels for the Future report and the accompanying fuel and vehicle fuel efficiency reports provide a comprehensive overview of the potential, challenges and opportunities as the region seeks to promote the development of alternative fuels. They were produced through the collaborative efforts of stakeholders and presented to the Governors in February.

In a subsequent policy resolution entitled, *Transportation Fuels for the West: A Roadmap for Energy Security and Improving the Environment and the Economy*, the Governors emphasized their continued concern with our near-total dependence on



petroleum for transportation fuels and the resulting critical impacts on national security, the environment and the economy. The Governors acknowledged the Western

states' opportunities and challenges with alternative transportation fuels. They want to take advantage of the West's position to become key producers and beneficiaries in the emerging alternative-fuels economy. To do so, each state is considering a range of actions to promote alternative fuels and vehicle fuel efficiency.

To gain regional synergies and leverage of the region's alternative fuel potential, the Governors formed the Transportation Fuels Council composed of their representatives. Among actions the council will take are hosting a series of advanced fuels workshops to continue to position the Western states as proactive leaders in developing and promoting alternative fuels. The council will also be developing benchmarks to measure the progress of alternative fuels in the West and will be reporting these results back to the Governors at the 2009 WGA Annual Meeting.

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

## ENVIRONMENT

### *Water Needs and Strategies for a Sustainable Future*

The Western States Water Council has taken a lead role on behalf of the WGA in implementing recommendations contained in the 2006 WGA report, *Water Needs and Strategies for a Sustainable Future*. Over the last year, WGA and WSWC cosponsored several conferences and workshops to identify next steps and began implementing the report's recommendations. In 2008, the Governors will consider what future action they will take based on those recommendations.

In October, WGA and WSWC worked with federal, state and local agencies in hosting the conference, "Water Policies and Planning in the West: Ensuring a Sustainable Future." More than 200 stakeholders

## Related Resolutions on Environment

- ▶ *Regional and National Policies Regarding Global Climate Change*
- ▶ *Coarse Particulate National Ambient Air Quality Standards*
- ▶ *Western Air Quality*
- ▶ *Water Quality Issues in the West*
- ▶ *Future Management of Drought in the West*
- ▶ *Watershed Restoration Through Partnerships*
- ▶ *The Safe Drinking Water Act*
- ▶ *Private Storage and Transportation of Commercial Spent Nuclear Fuel*
- ▶ *U.S. Department of Energy Waste Isolation Pilot Plant (WIPP) and Transportation of TRU Waste*
- ▶ *Department of Energy Facilities Cleanup Program*
- ▶ *Transportation of Spent Nuclear Fuel and High-Level Radioactive Waste*
- ▶ *Assessing the Risks of Terrorism and Sabotage Against High-Level Nuclear Waste*





participated in plenary sessions, panel presentations and small group discussions designed to further delineate recommendations and specific action items consistent with the report.

Three areas were addressed by the conference: water policy and growth; water planning, needs and strategies to meet future demand; and climate change adaptation strategies. Among the featured speakers were Gov. Huntsman; Vice Admiral Conrad Lautenbacher, Administrator of the National Oceanic and Atmospheric Administration; Stephen L. Johnson, Administrator of the Environmental Protection Agency; and Bob Johnson, Administrator of the Bureau of Reclamation. A summary of the proceedings is available on the Web at <http://www.westgov.org/wswc/meetings.html>.

WGA and WSWC also worked together last year with the U.S. Corps of Engineers in developing a partnership agreement to conduct a Western States Watershed Study, which will assist the states in implementing the Governors' recommendations.

The Corps study focused on the WGA recommendations related to water to meet future demands, water infrastructure needs and strategies, and climate change impacts.

In carrying out its work, the Corps involved several other federal agencies, including the Bureau of Reclamation, the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the United States Geological Survey, as well as a representative from the National Tribal Environmental Council.

The Corps report will be finalized by the fall of this year and is expected to mirror many of the findings and recommended "next steps" that the Governors will consider at their 2008 Annual Meeting. Leads for water issues are Governors Napolitano, Otter, Richardson, Ritter, Rounds and Schweitzer. Support is provided by NOAA and the Western States Water Council.

## ***Air Quality***

By the end of 2008, Western states are expected to complete their 10-year plans for reducing regional haze that can impair the incredible vistas in our national parks and wilderness areas. The Western Regional Air Partnership has been supporting the states' collective efforts to reduce haze-causing pollution.

The WRAP's Strategic Plan for 2008 - 2012 focuses on a one-atmosphere approach to improving Western air quality, even though each state will create and implement its own plan. The one-atmosphere approach complements efforts to attain national air



quality standards set for ozone, as well as fine and coarse particulate matter. The strategic plan also directs the WRAP to assess the potential range of impacts on future air quality resulting from climate change and modifications to the energy supply.

Ozone has become a regional air quality issue for the West. In March, EPA adopted a



tighter national ozone air quality standard – a reduction of 11 percent. WRAP’s members will focus on understanding the nature of ozone air pollution transport, assessing the mitigation options for contributing sources, and assisting states and tribes with implementing and tracking necessary controls in the 2012 - 2013 time frame.

The ozone effort will build upon the regional haze analysis already completed, address the sources and transport across the region, and provide support and coordination to Western air quality agencies.

The WRAP has also completed greenhouse gas baseline emissions inventories and forecasts. With the voluntary North American-wide GHG registry (The Climate Registry) in place, and the complementary Western Climate Initiative underway, the WRAP is assisting its members in addressing the voluntary GHG reporting protocols for sectors, such as the field exploration and production activities of the oil and gas industry.

Governors Napolitano and Rounds serve as leads for this initiative. Support 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 19 years.

Several thousand rail and highway shipments of transuranic and low-level waste originate, pass through or terminate in Western states each year. In 2008, over 1,100 shipments are bound for permanent underground disposal at the Waste Isolation Pilot Plant (WIPP) in New Mexico. As of April 2008, over 6,500 shipments had been successfully completed, and over 100,000 containers had been permanently disposed of at the WIPP facility. This represents about one-third of the expected total number of shipments from five major and 18 smaller DOE facilities around the country. These



shipments have contributed to significant accomplishments in the cleanup of Western facilities. The Department of Energy has completed cleanup operations at three Western facilities: Rocky Flats, the main site at Lawrence Livermore National Laboratory and the Kansas City Plant.

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. During the past year, WGA has worked with DOE to finalize an update to the WIPP Transportation Safety Program Implementation Guide, which will be published by the summer of 2008.

WGA’s affiliate, the Western Interstate Energy Board, 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 states and the DOE’s Office of Civilian Radioactive Waste Management to continue the development of a system for the safe and uneventful transportation of such waste.

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 Health

WGA's Forest Health Advisory Committee has focused this year on implementing the recently updated 10-year strategy that Western states and federal agencies developed to guide the following efforts: prevent and suppress wildland fires, thin forests to reduce hazardous fuels, restore ecosystems, and assist communities in protecting themselves and in developing their forest-based economies. Because communities play a critical role in reducing the risk of wildfires, WGA assisted in updating the *Community Wildfire Protection Planning* handbook, and the latest version will be available by the end of 2008.

On the legislative side, Governors testified on several occasions before congressional committees on forest health and wildland fire management issues. One of their top priorities is ensuring that adequate funding is provided for forest health activities. It is imperative that those funds are maintained and are not siphoned off to cover wildfire suppression expenditures.

Gov. Napolitano testified before the House Natural Resources Committee on the proposed Federal Land Assistance, Management and Enhancement Act. She expressed the Governors' support for a measure that would create a permanent fund for fighting the most catastrophic blazes, emphasizing that it would help relieve the burden on the Forest Service's already tight budget and prevent the constant drain on wildfire prevention funding.

WGA'S leads on this issue are Governors Napolitano and Huntsman. The Council of Western State Foresters provide the Governors expertise and advice on forest and wildfire policy issues. Financial support for this program is provided by the U.S. Department of Agriculture, U.S. Forest Service.



Photo courtesy of W. Karesh ©WCS

## Wildlife Corridors

In February 2007, Western Governors unanimously approved the resolution, *Protecting Wildlife Migration Corridors and Crucial Wildlife Habitat in the West*, which instructed WGA to develop and conduct a process to "identify key wildlife migration corridors and crucial wildlife habitats in the West and make recommendations on needed policy options and tools for preserving those landscapes."

In response, WGA began the Wildlife Corridors Initiative, a multi-state and collaborative effort to improve knowledge of and management for key migratory corridors and crucial habitat. Promoting best practices for development where it occurs, reducing harmful impacts on wildlife, and integrating migratory and crucial habitat into planning decisions are the overarching objectives for implementation. The initiative has been structured to make both scientific and policy recommendations to the Governors through a science committee and five working groups: oil and gas, energy, transportation infrastructure, land use and climate change.

The oil and gas report was adopted by the Governors in November. The remaining working groups completed their reports this spring. Those recommendations have been compiled and will be presented to the Governors for consideration at the June 2008 Annual Meeting. Additionally, the Science Committee was established to provide a science-based framework for the policy recommendations and to improve the

## Related Resolutions on Lands

- ▶ *Improving Forest and Rangeland Ecosystem Health in the West*
- ▶ *Future Management of the National Forests and Public Lands*
- ▶ *National Wildland Fire Weather Program*
- ▶ *Protecting Wildlife Migration Corridors and Crucial Wildlife Habitat in the West*
- ▶ *Sage Grouse Conservation*



states' understanding of wildlife corridors and crucial habitat by integrating existing data into a decision support system, identifying gaps in data, and proposing recommendations for filling those gaps.

Following adoption of the reports by the Governors, WGA will move to implementation, working collaboratively with Congress; federal agencies; state, tribal, and local governments; advocacy groups; and the private sector. It is anticipated that building the decision support system will be a high priority, as protecting wildlife corridors and crucial habitat requires a science-based understanding of where these sensitive lands exist.

Governor Freudenthal is leading this initiative. Financial support is provided by the Doris Duke Charitable Foundation, National Fish and Wildlife Foundation, Turner Foundation, Wilburforce Foundation, Wildlife Conservation Society and William and Flora Hewlett Foundation.

### ***Conservation of the Greater Sage-Grouse***

Western Governors have long supported range-wide assessments to monitor the status of the Greater Sage-Grouse and to determine what conservation practices would work best to conserve this icon of the sagebrush-covered plains. WGA is assisting many states as they develop their conservation management plans, which take into account unique characteristics related to bird populations, land uses and human impacts. Support is also provided to more than 60 local working groups.

These local initiatives are providing the fundamental building blocks of Greater

Sage-Grouse conservation across the West. They provide invaluable information on local circumstances and impacts, which is vital to the implementation of projects aimed at protecting habitat and addressing other needs of the bird.

The Governors have been working with the Western Association of Fish and Wildlife Agencies in addressing issues, needs, opportunities and partnerships related to the range-wide conservation of Greater Sage-Grouse and sagebrush habitats. WGA also has assisted fish and wildlife departments in 11 states compile data and success stories on recovery efforts. That information will be provided to the U.S. Fish and Wildlife Service, which is reconsidering an earlier decision not to list the grouse as threatened. Governors Gibbons and Ritter serve as leads for this issue.

## **DEVELOPMENT**

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

Frustrated with the stalemate in Congress over comprehensive immigration reform,



Governors urged Congress in April to take incremental action to address problems with visas for legal immigrant workers. The lack of availability of H-1B, H-2B visas and the bureaucratic hurdles with the H-2A program have created enormous problems for many Western businesses and industry and for legal migrant workers.

## Related Resolutions on Development

- ▶ *U.S.-Mexico Border Security and Illegal Immigration*
- ▶ *Transportation in the West – the Next Generation*
- ▶ *Restoration Economy*

The Governors support enactment of a long-term comprehensive national immigration policy that will, among other things, strengthen security along the southern border, create a temporary guest worker program to meet specific workforce needs, and provide reimbursement for local and state governments now filling the enforcement void.

The Governors set forth their views on illegal immigration in a resolution they adopted in 2006. Governors Huntsman and Napolitano are leading this effort.

### *Transportation*

For Western states to be competitive in the global economy, the region's transportation systems must function smoothly to get 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. An ever increasing amount of goods are being imported and exported through West Coast ports and across the borders with Canada and Mexico.

Unfortunately, the federal gasoline tax revenues that are disbursed to the states to maintain and improve the nation's highways are not keeping up with highway repair needs. Western Governors are closely monitoring recommendations being delivered to Congress by national advisory committees to fix this long-term funding shortfall.

Leads for this initiative are Governors Freudenthal, Gregoire, Huntsman, Richardson, Rounds and Schweitzer.

### *Restoration Economy*

Large intact and functioning ecosystems, healthy fish and wildlife populations, and public access to natural landscapes are a significant contributing factor to the West's economic and in-migration boom. Realizing the importance of the environment to the economy, as well as our responsibility to future generations, Western states have enacted many state-level policies to restore past damages from resource extraction industries.

These restoration activities are providing high-paying jobs throughout the West – from initial studies, to engineering and design, to the construction jobs during the on-the-land phase – providing a full spectrum of economic growth across the West.

This "Restoration Economy" is also contributing to extensive research and development programs to implement new technologies that include best practices for both restoration efforts and on-going and future extractive industries. The vast majority of restoration work on Western lands is reliant on effective partnerships between federal, state, and local governments and industry. Declining federal participation and funding is of great concern to the Governors.

This year, WGA will begin studying the potential economic benefits of the Restoration Economy, identifying sources of funding for this work and developing best practices. Governor Schweitzer is leading this initiative.





# WGA STAFF COUNCIL 2007 - 2008

The WGA Staff Advisory Council comprises the chief of staff or top policy adviser for each Governor and meets between the Governors' regular meeting 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

Joe Balash

## AMERICAN SAMOA

Mr. Motu La'au Seui, Jr.

## ARIZONA

Lori Faeth

## CALIFORNIA

Darren Bouton

## COLORADO

Ken Weil

## GUAM

George Bamba

## HAWAII

Linda Smith

## IDAHO

Jason Kreizenbeck

## KANSAS

Susan Allen

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Hal Harper  
Mike Volesky

## NEBRASKA

Lauren L. Hill

## NEVADA

Ryan McGinness

## NEW MEXICO

Sarah Cottrell

## NORTH DAKOTA

Lance Gaebe

## N. MARIANA ISLANDS

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## OKLAHOMA

David Fleischaker

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SAC Vice Chair  
Robert Spendlove

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## WYOMING

Steve Ellenbecker,  
SAC Chair

# WESTERN GOVERNORS' ASSOCIATION STAFF

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Karen Deike, *Communications Director*

Gayle Gordon, *Program Director - Forest Health, Biomass  
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Lee Gribovicz, *Project Manager - Air Quality*

Rich Halvey, *Program Director - Energy and Mexico  
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Toni McCammon, *Office Manager/Executive Assistant*

Shaun McGrath, *Program Director - Water Issues, Drought,  
Wildlife Corridors*

Christopher McKinnon, *Program Director - Technology and the  
Economy*

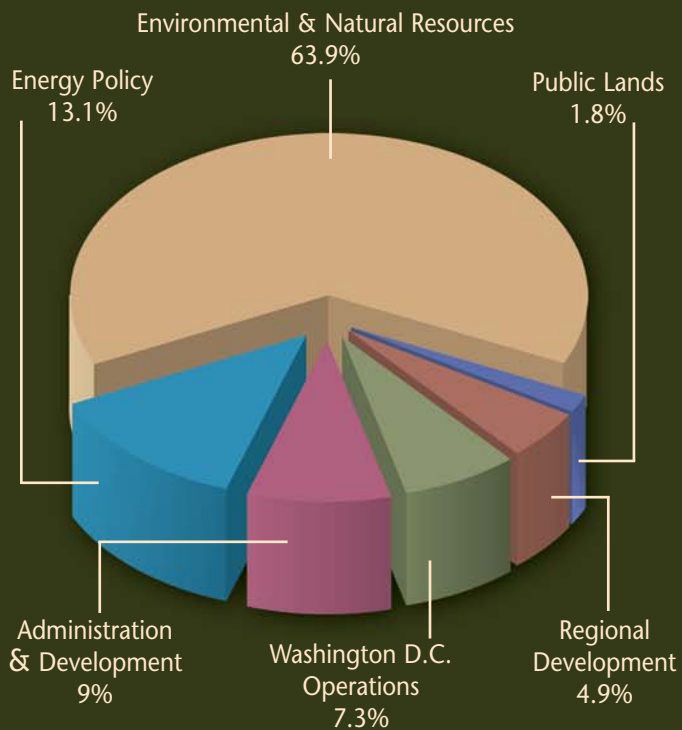
Tom Moore, *Program Manager - Air Quality*

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

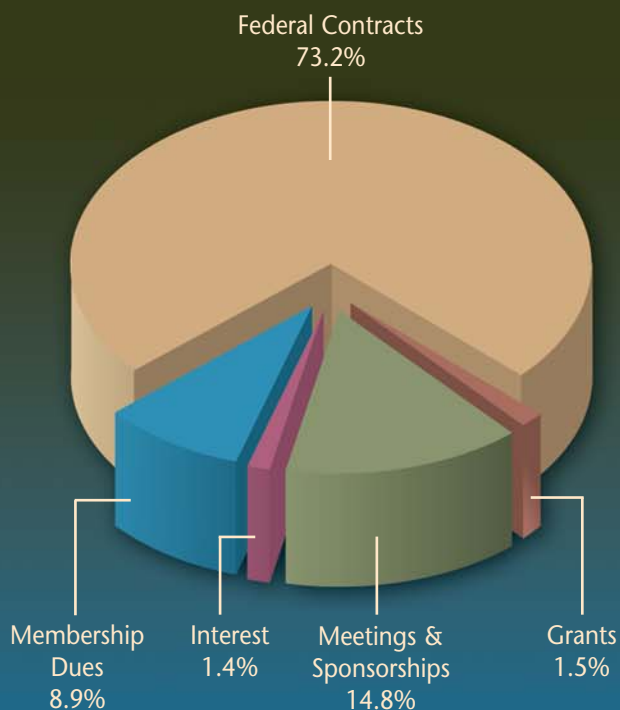
Alex Schroeder, *Program Director - Radioactive Waste  
Transportation and Transportation Fuels*

Madeleine West, *Program Associate - Energy*

## FY 2007 FUNCTIONAL EXPENSES



## FY 2007 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 2007 were \$36,000 per state and \$6,000 per territory/commonwealth.

During the fiscal year ended June 30, 2007 WGA's Income totaled \$6,847,257 approximately 75% of this amount was received from federal agencies for various projects.

### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2007

Membership Dues	\$ 612,000
Federal Contracts	5,009,928
Grants	112,423
Meetings and Sponsorships	1,016,675
Interest Income	96,231
	<hr/>
<b>TOTAL</b>	<b>\$ 6,847,257</b>

### FUNCTIONAL EXPENSES

Energy Policy	\$ 874,729
Environmental & Natural Resources	4,254,774
Public Lands	117,668
Regional Development	323,744
Washington D.C. Operations	488,691
Administration & Development	601,612
	<hr/>
<b>TOTAL</b>	<b>\$ 6,661,218</b>

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



All reports, policy resolutions and other information referred to in the 2008 Annual Report are available on the Western Governors' Association Web site at [www.westgov.org](http://www.westgov.org).



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