

June 16, 2014

Honorable Barack Obama President of the United States The White House 1600 Pennsylvania Avenue, NW Washington, DC 20500

Dear Mr. President:

As Governors leading diverse States that both produce and consume energy, we ask that you pursue a pragmatic energy policy that balances our nation's economic needs, energy security, and environmental quality objectives.

As you know, the energy industry is a major source of job creation in our country, providing employment to millions of our citizens and bolstering U.S. economic competitiveness. America was able to meet almost 90 percent of its energy needs last year—the most since March 1985—in large part because of increased domestic energy production. We take pride in the fact that domestic production largely powers America and increasingly other economies as well, helping to eradicate poverty and to provide political stability around the globe.

Development of our resources has put more money in the pockets of working families and has helped the poor and elderly on fixed incomes, who can now more easily afford to run their air conditioning in the heat of the summer. For example, American natural gas production is reducing average retail electricity prices by 10 percent, saving households, on average, nearly \$1,000 per year between 2012 and 2015.

This significant accomplishment of increased U.S. energy independence, with its associated economic and health benefits, has been achieved largely by State policies—despite redundant and burdensome

federal regulation. Your proposed rules for regulating greenhouse gas (GHG) emissions from existing power plants and redefining the Waters of the United States (WOTUS) would unnecessarily expand federal authority over the States in energy policymaking and risk undermining our success.

In an unprecedented move, your GHG emissions plan would largely dictate to the States the type of electricity generation they could build and operate. In addition, you seek to essentially ban coal from the U.S. energy mix. Your pursuit of this objective will heavily impact those of our states that rely primarily on coal for electricity generation—such a decision should not be made by unaccountable bureaucrats. Your Administration is also pushing for Washington to seize regulatory control of nearly all waters located in the States by expanding the definition of WOTUS. If successful, the federal government would become the arbiters of how our citizens, State highway departments, county flood control and storm water agencies, utilities, irrigation districts, and farmers use their water and their land.

Although we are still examining the impacts of the GHG proposal released on June 2 and the proposed expansion of WOTUS, we can confidently say that, according to the best available data, millions of jobs will be lost and billions of dollars will be spent over the coming decades in an effort to comply with these and other federal regulations. And those numbers stand to increase with every tightening of those standards – hitting particularly hard working families, poor, and elderly.

Perhaps most disturbing is the fact that your Administration is content to force Americans to bear these substantial costs where there are highly questionable associated environmental benefits. In fact, your EPA Administrator admitted during testimony to the U.S. Senate that there would be no climate mitigation benefits to America pursuing unilateral action. Moreover, in 2008, you personally guaranteed that under your energy plan, "electricity rates would necessarily skyrocket." You admitted that your energy plan would have the following impact: "[Energy industries] would have to retrofit their operations—that will cost money. They will pass that money onto consumers."

You rightly acknowledge that American citizens will literally pay the price of your energy agenda. They will also pay the price in the form of lost jobs and less reliable electricity. As representatives of the citizens who stand to lose so much while gaining next to nothing, it is our duty to confront this issue and to ask that you rescind the regulations you have put forth. Disposing of these regulations will protect Americans from the costs and burdens the rules would impose upon them and will ensure the continuation of America's energy renaissance, which is indispensable to our country's economic recovery and job creation and which is largely a result of State policies.

Sincerely,

Governor Sean Parnell Alaska Governor Mike Pence Indiana

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Governor Bobby Jindal Louisiana Phil Bujant

Governor Phil Bryant Mississippi Pat M= Crony

Governor Pat McCrory North Carolina Governor Jack Dalrymple North Dakota

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