



STATE OF MINNESOTA

Office of Governor Tim Pawlenty

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

June 24, 2009

The Honorable Amy Klobuchar
United States Senator

The Honorable Keith Ellison
United States Representative

The Honorable Tim Walz
United States Representative

The Honorable Michele Bachmann
United States Representative

The Honorable John Kline
United States Representative

The Honorable Collin Peterson
United States Representative

The Honorable Erik Paulsen
United States Representative

The Honorable James Oberstar
United States Representative

The Honorable Betty McCollum
United States Representative

Dear Members of the Minnesota Congressional Delegation:

I write to express my concerns regarding the American Clean Energy and Security Act of 2009, also known as the Waxman-Markey bill. This legislation would place significant burdens on individuals and job creators, while doing little to impact its intended goal of changing the global climate.

The Waxman-Markey bill would place massive new costs on energy. An analysis of the economic impact by one organization found that by 2035 the bill would:

- Reduce aggregate gross domestic product by approximately \$9.6 trillion.
- Destroy more than 1 million jobs on average, with peak unemployment figures of nearly 2.5 million jobs.
- Raise electricity rates 90 percent after adjusting for inflation.
- Raise inflation-adjusted gasoline prices by 74 percent.
- Raise residential natural gas prices by 55 percent.
- Raise an average family's annual energy bill by \$1,500.

June 24, 2009

In addition, other organizations have concluded the bill would have a disproportionate negative impact on rural communities and agriculture.

As our state and nation strive to recover from a prolonged economic downturn, the Waxman-Markey legislation would jeopardize recovery by capping energy use in unfair and overly bureaucratic ways.

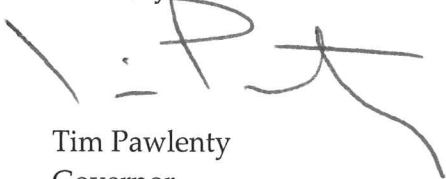
While the legislation has been improved in some respects, I believe a greater emphasis should be placed on the following policy ideas:

- Incentives to encourage energy conservation should be given highest priority. The cheapest and cleanest energy is the energy we don't use.
- Incentives for effective renewable energy should be dramatically increased. Minnesota has seen firsthand the economic, environmental, and energy advantages created through production of clean, alternative sources of energy.
- Nuclear energy use should be dramatically expanded.
- Clean coal technologies should be developed and deployed. The United States possesses one of the world's largest reserves of coal.
- Concerns regarding carbon emissions should be primarily addressed through technological breakthroughs and the deployment of newer technology.
- The United States' commitment to carbon emission reductions should be related to other countries taking similar action in a fair and appropriate manner.

The cap and trade provisions in this legislation are overly bureaucratic, misguided, and would be very burdensome on our economy. I oppose any cap and trade system that does not set emission caps at pragmatic levels or fails to provide free allowances to producers instead of creating an expensive auction that would bid up prices, and in turn dramatically increase energy costs.

I hope you will consider these points as you further reflect on this legislation.

Sincerely,



Tim Pawlenty
Governor

Cc: Representative Henry Waxman, U. S. House of Representatives
Representative Edward Markey, U. S. House of Representatives