



## Coal-To-Liquids Coalition

*The objective of the Coal-to-Liquids Coalition (CTLC) is to articulate policies, educate policy makers and advocate congressional and administrative actions to advance the construction of state-of-the-art coal liquefaction facilities.*

October 19, 2007

The President  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Mr. President:

Earlier this year you called for America to embrace a bold new energy initiative meant to reduce the nation's growing dependence on foreign oil by dramatically increasing the production of domestic alternative fuels. As House and Senate leaders begin reconciling differences between their respective energy bills, the grand vision enunciated in your State of the Union address is in danger of being neglected in favor of shortsighted legislation that will perpetuate America's growing reliance on imported energy and endanger America's future economic prosperity.

In your State of the Union address, you called on Congress to support reducing America's gasoline use by 20 percent in the next 10 years to "dramatically reduce our dependence on foreign oil." To reach this laudable goal, you called on Congress to create a mandatory fuels standard that requires the use of 35 billion gallons of renewable and alternative energy sources, including coal-to-liquid (CTL) fuels, by 2017.

To meet the energy goals you challenged Congress to achieve, the energy legislation should include a targeted package of CTL incentives to accelerate the domestic production and utilization of CTL fuels.

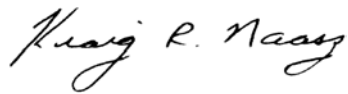
In your State of the Union address, you emphasized the need for technological breakthroughs that "will help us be better stewards of the environment" and help America "confront the serious challenge of global climate change." CTL fuels perfectly embody the technological advances our nation needs to mitigate climate change. Through the utilization of advanced carbon capture and storage technologies, CTL fuels will emit less carbon dioxide than the imported fuels they will displace. CTL fuels also emit substantially less sulfur dioxide, nitrogen oxide and particulate matter, helping to reduce smog, acid rain and associated health effects.

Congress can help turn CTL's enormous potential into reality by extending the life of the existing 50-cents per gallon alternative fuels excise tax credit and granting the Department of Defense the necessary authority to negotiate

long-term fixed-price supply contracts. Congress should also approve a "price collar" for CTL fuels that can effectively mitigate the predatory pricing tactics of foreign energy cartels eager to eliminate an emerging competing industry.

The Coal-to-Liquids Coalition urges your administration to insist upon the inclusion of these much needed CTL incentives in any energy legislation developed by Congress. Should Congress opt against supporting CTL fuels, it will be turning its back on the realistic road map you presented for moving America towards true energy independence.

Sincerely yours,



Kraig R. Naasz  
President & CEO  
National Mining Association  
Member, Coal-to-Liquids Coalition

cc: Richard Cheney  
Vice President of the United States

Samuel Bodman  
Secretary of Energy

James Connaughton  
Chairman, Council on Environmental Quality

Allan Hubbard  
Director, National Economic Council

AFL-CIO Building and Construction Trades Department  
AFL-CIO Industrial Union Council  
Air Transport Association  
American Short Line Rail Road Association  
Association of American Railroads  
Baard Energy LLC  
DRKW Advanced Fuels LLC  
GTA Energy  
Headwaters Incorporated  
International Brotherhood of Boilermakers  
International Union of Operating Engineers  
Laborers' International Union of North America  
Owner Operator Independent Drivers Association  
National Oil Heat Research Alliance

National Mining Association  
Petroleum Marketers  
Rentech Inc.  
Sasol  
Southern States Energy Board  
Syntroleum Corporation  
Tenaska, Inc.  
United Brotherhood of Carpenters and Joiners of America  
United Mine Workers of America

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*The Coal-to-Liquids Coalition is comprised of developers of CTL technologies, users of CTL fuels,  
labor organizations and coal producers*