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The Honorable Jeff Bingaman
Chairman, Senate Energy & Natural Resources Committee
United States Senate
703 Hart Senate Office Bldg.
Washington, D.C. 20510

Dear Mr. Chairman:

I wanted to offer my personal compliments to you for outlining a serious list of bipartisan energy solutions during your speech at the Center for Strategic & International Studies recently. I read with great interest the proposals from the presentation and agree with you that now is the time for bold action to address America's energy needs.

I have appreciated the opportunity to share with you my thoughts via testimony before your committee or in individual meetings the increasingly important energy issue and its affect on the competitiveness and security of American industry.

You are aware of the challenges high energy and feedstock costs place on the domestic chemical industry. Dow's hydrocarbon and energy costs are on track to break all records, likely to top $30 billion this year. That's more than the entire chemical industry's cost in 2002.

The Dow Energy Plan for America, which I've enclosed, very closely mirrors proposals from your speech. We have drawn from many good ideas that, if implemented with strong bipartisan support, can transform the way we make and use energy while strengthening our economy. We believe in aggressive energy efficiency and conservation, increased and diversified domestic energy supplies, accelerated development of alternative and renewable energy, and an economically fair and environmentally sustainable climate change policy that will reduce greenhouse gas emissions.

Dow products, technologies and advocacy will play a roll in nearly all of the subject areas you have outlined. Here are a few examples:

- Deploying clean energy technology: Dow is developing a new generation of Building Integrated Photovoltaic materials with a goal of cost-effectively generating 1 GW of energy by 2025.
- Improving energy efficiency: Dow has been a strong proponent of increased energy efficiency in the building sector and our industrial energy efficiency leadership is well known. In addition, we are working with the United Nations Foundation to promote energy efficiency in the G-8 Plus 5 countries.

- Maintaining adequate supply of conventional energy: Dow strongly supports the need for increased access to our domestic oil and natural gas resources, particularly environmentally responsible exploration and production in the Outer Continental Shelf. We support revenue sharing with the states, and while I respect your position that the resource belongs to all Americans, I believe revenue sharing will be needed to gain sufficient Congressional support.
- Increasing energy innovation: We support full implementation of the America COMPETES Act, and actively seek RD&D partnerships with government. As an example, Dow has testified before your committee on the potential to use coal and biomass as alternatives to oil and gas-based feedstocks for chemical and plastics production.
- Making energy markets more transparent: We are happy to support increased transparency to ensure that the volatility and rapid rise in energy prices experienced earlier this year does not cause further demand destruction on the U.S. economy.
- Maintaining the proper balance between energy and environment policies: As we develop climate legislation, the risk of a "Dash to Gas" scenario in the power generation industry is very real, especially if we fail to deploy efficiency CCS, nuclear, renewables and adequate cost containment measures such as carbon offsets in a timely way.

I agree with you that the time is now for our country to ensure the competitiveness and security of its manufacturing economy through a comprehensive and bipartisan energy policy. I offer my support and assistance in moving forward toward finding solutions to this vital energy and economic challenge.

Sincerely,

Andrew Liveris
Chairman and CEO
The Dow Chemical Company