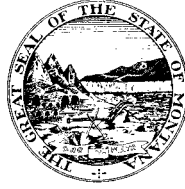


OFFICE OF THE GOVERNOR
STATE OF MONTANA

BRIAN SCHWEITZER
GOVERNOR



JOHN BOHLINGER
LT. GOVERNOR

August 6, 2007

Brent Wahlquist
Acting Director
Office of Surface Mining
1951 Constitution Avenue, N.W.
Washington, DC 20240

Dear Mr. Wahlquist:

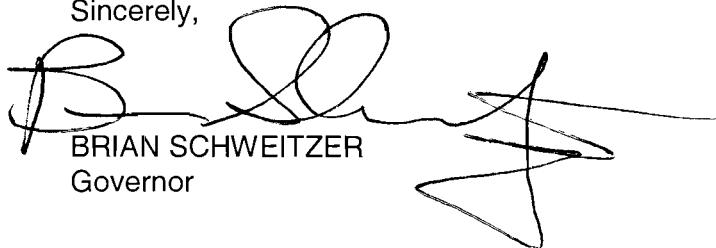
I understand that the Office of Surface Mining (OSM) is coming out with a rule in September on how OSM will distribute money from the federal AML Trust Fund. I urge you to make the right decision, which is to distribute Montana's \$55 million share of the trust fund as Congress directed you to do.

Montana expects to receive its \$55 million share of the trust in seven equal annual payments beginning in 2008. Recent press says that you are considering turning these payments into a grant that would require an application from us and OSM approval before we could receive the trust funds. I am concerned when I read your vague and unsettling response to Wyoming's Sen. Barrasso's straightforward question as to whether you believe the certified states' AML Trust Fund distributions are to be considered payments or grants. You wrote that OSM was analyzing whether the use of the term 'payment' in the measure Congress passed mandates or authorizes a distribution mechanism other than grants.

Congress was very clear in its direction to OSM as to how to distribute the trust funds. Not only that, but you know what a hard fought and difficult exercise it was to fashion the compromise that led to passage of the AML reauthorization bill in 2006. This is not a fight worth starting by OSM. Why would you willingly engage in bait-and-switch tactics that would violate the will of Congress and the spirit of compromise? I can only assume that your statement was a trial balloon that I, along with my colleagues in other certified states, have effectively shot down.

I look forward to confirmation from you in writing that your September rules will include direct disbursements of AML Trust Fund to the certified states. Please respond to my letter soon and give me the assurance that you are heading the agency down the right path.

Sincerely,


BRIAN SCHWEITZER
Governor