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United States Senate

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WASHINGTON, DC 20510-6200

February 11, 2008

RUSSELL SULLIVAN, STAFF DIRECTOR
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The Honorable Charles Rangel, Chairman
United States House of Representatives
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel:

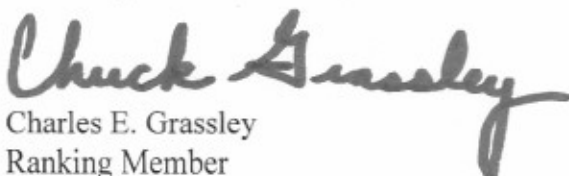
In response to news reports last Friday indicating that House leaders may schedule action—both in committee and on the floor—this week on an energy tax package, I am writing to express my support, and to ask for your support, for an extension of the wind energy production tax credit, known as Section 45 of the tax code.

Of course, this tax policy is very important to me as the author of the first-ever wind energy production tax credit in 1992. I've been able to shepherd through Congress extensions of the credit I worked to create, and I know how vitally important tax certainty is to entrepreneurs and others developing new and innovative sources of energy. Unfortunately, with the new House rules requiring pay-go, and the cost of a five-year extension of Section 45 being nearly \$11 billion, it is unlikely Congress will be able to extend my wind credit for more than a couple of years in the next extension.

Last year, the House of Representatives approved an energy tax package that provided a less than ideal four-year extension of the wind energy production credit; but even worse, this extension imposed a limit on the credit. This change would have prevented wind energy producing companies from receiving the full current credit. Last December, I successfully amended the House version of Section 45 to reinstate the original uncapped structure of the wind energy credit for a two-year period. As I heard from wind energy producers in Iowa, this was a better deal for both producers and consumers.

I want to do everything possible to make sure another effort to cap the wind energy production tax credit is avoided. Renewable energy can and does provide so much good for the state of Iowa and for the entire nation. It's good for national security. It's good for the environment. And it's good for jobs and the economy in rural America. Wind energy tax policy has been one of my most successful initiatives, and I urge your support for proven tax policies that help to develop wind and other home-grown sources of alternative energy.

Sincerely,


Charles E. Grassley
Ranking Member