




**National Rural Electric
Cooperative Association**

A Touchstone Energy* Cooperative 

Glenn English
Chief Executive Officer

February 27, 2009

The Honorable Barack Obama
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

The National Rural Electric Cooperative Association pledges to work with you and leaders in Congress on legislation to address climate change concerns. We believe it is best if we can work together to develop sensible, least-cost programs to achieve the nation's environmental objectives.

However, NRECA strongly objects to the proposal in your Administration's budget to auction emission allowances to the highest bidder in a cap-and-trade program. Such a program would only serve as a backdoor, variable tax on consumers. Even worse, the level of the tax would be determined by Wall Street and large multi-national energy companies who would likely be the highest bidders in any auction.

Further, auctioning allowances is not necessary to achieve the environmental objective of a cap-and-trade plan – namely to achieve significant, long-term reductions in greenhouse gas emissions. Those reductions are achieved by the cap established in the bill. Auctioning allowances only serves to raise revenue for the government. If the government needs to raise revenue to fund important national priorities, those taxes should be set by the government and collected by the IRS, not set by Wall Street and collected by utilities.

Again, we will work with you and the Congress in developing sensible climate change policies. Please do not hesitate to have your energy and environment team contact me in the future as your administration develops more detailed climate change proposals.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn English", written over a white rectangular background.

Glenn English