

COALITION FOR AFFORDABLE AMERICAN ENERGY

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June 25, 2009

TO ALL MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES

Dear Representative:

We are writing on behalf of the Coalition for Affordable American Energy (CAAE), a coalition of over 180 organizations representing approximately 750,000 business consumers of energy. These businesses are of all sizes and types and depend on readily available, stably-priced and affordable energy to operate their businesses.

CAAE supports legislative efforts to reduce greenhouse gas emissions, and its members support many of the provisions in the “American Clean Energy and Security Act of 2009.” However, we believe the objective of greenhouse gas emissions reductions must and can be achieved without reducing the supply or dramatically increasing the cost of domestically-produced energy. We also believe that legislation to advance these goals must not impose unreasonable new costs on American business consumers of energy.

Unfortunately we believe that, on balance, this legislation fails to meet those objectives and should be opposed.

While there are competing studies on the likely cost of this cap and trade proposal, there is no doubt that there will in fact be a significant increase in business operating costs which will substantially raise the prices of products and services throughout the economy.

These increased costs will impose a significant burden on American businesses, many of which are already struggling to keep their doors open in this economy, and that burden will inevitably lead to job losses and less business investment in the economy. And while the Administration has promised to compensate individual taxpayers for the additional costs that the cap and trade legislation would impose on them, there is no discussion of holding business harmless.

Furthermore, as the cost of doing business increases for manufacturers, wholesaler-distributors and retailers, these costs will inevitably and necessarily be passed along the supply chain, eventually resulting in higher prices for all consumers. And those increased prices have not been factored into the cost analyses of the cap and trade proposals. They far exceed the direct increase in energy costs projected for consumers.

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Finally, the proposed legislation will, by design, result in a reduction in the production and consumption of most conventional energy sources. However, there is no concrete plan to replace those largely fossil fuels with other energy sources. This imbalance will result in skyrocketing cost of conventional fuels and unavailability of affordable alternatives.

In summary, this is a critically important piece of legislation, and we applaud the House of Representatives for taking on the challenge. But this legislation also represents a massive change in US public energy and environmental policy, with implications for all Americans and all sectors of our economy. We believe that this legislation is being considered in haste, with certain damaging unintended consequences. We urge you to oppose H.R. 2454 to allow the legislation to be considered more carefully and thoughtfully in a proper legislative process. It is far more important to get this right than to get it done in record time.

THE CAAE MANAGEMENT COMMITTEE:




Geoffrey Burr, Vice President-Government Affairs
Associated Builders and Contractors



David French, Vice President-Government Relations
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Stephen E. Sandherr, Chief Executive Officer
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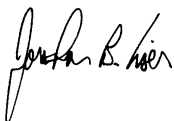
Jay Timmons, Executive Vice President
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R. Bruce Josten, Executive Vice President-
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Dirk Van Dongen, President
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Dan Danner, President/CEO
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