




**National Rural Electric
Cooperative Association**

A Touchstone Energy® Cooperative 

Jo Ann Emerson
Chief Executive Officer

June 5, 2015

The Honorable Mike Conaway
Chairman
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

The Honorable Collin Peterson
Ranking Member
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

Dear Chairman Conaway and Ranking Member Peterson:

The National Rural Electric Cooperative Association (NRECA) supports the Commodity End User Relief Act (H.R. 2289), legislation to reauthorize the Commodity Futures Trading Commission (CFTC) to be considered on the House floor the week of June 7th.

NRECA is the national service organization representing over 900 not-for-profit, member-owned, rural electric cooperative systems, which serve 42 million customers in 47 states. NRECA estimates that cooperatives own and maintain 2.5 million miles or 42 percent of the nation's electric distribution lines covering three-quarters of the nation's landmass. Cooperatives serve approximately 18 million businesses, homes, farms, schools and other establishments in 2,500 of the nation's 3,141 counties.

Electric cooperatives are commercial end-users and not financial entities. NRECA believes that Congressional oversight is essential to help ensure that the CFTC is implementing the Dodd-Frank Act as Congress intended. To that end, NRECA supports H.R. 2289 as a means to ensure that resources at the CFTC are prioritized to protect against systemic risk to our financial system, and to regulate swap dealers and large traders, and not fruitlessly focused on the everyday commodity transactions with which end-users hedge commercial risks arising from ongoing business operations.

Importantly, H.R. 2289 amends the Commodity Exchange Act (CEA) in a very narrow but critical way: to clarify Congressional intent that the CFTC shall not regulate as "swaps" nonfinancial commodity contracts that are intended to be physically settled, whether those contracts are forward contracts or commodity trade options. Our members use these physical contracts to manage supply and demand for energy resources, and to keep the lights on for American businesses and consumers. NRECA is also particularly interested in H.R. 2289 language that reduces onerous recordkeeping requirements, as well as a codified resolution to the utility special entity requirement that would otherwise negatively impact such utilities and their customers.

NRECA appreciates the work of the Committee in its bipartisan passage of H.R. 2289, and urges Members of Congress to support the bill when it is considered by the House of Representatives.

Sincerely,

Jo Ann Emerson
CEO, NRECA

