



June 25, 2009

The Honorable Ed Whitfield – U.S. House of Representatives (KY - 1st Dist.)
The Honorable Brett Guthrie – U.S. House of Representatives (KY - 2nd Dist.)
The Honorable John Yarmuth – U.S. House of Representatives (KY - 3rd Dist.)
The Honorable Geoff Davis – U.S. House of Representatives (KY - 4th Dist.)
The Honorable Hal Rogers – U.S. House of Representatives (KY - 5th Dist.)
The Honorable Ben Chandler – U.S. House of Representatives (KY - 6th Dist.)

RE: Proposed Climate Change Legislation

On behalf of Northern Kentucky's business community, we write to express our serious concerns regarding the passage of H.R. 2454 - the "American Clean Energy and Security Act". This legislation comes at a critical time in our nation's economic history and without thoughtful consideration, we believe this bill could dramatically increase energy prices in many areas of our country and most particularly be harmful to Kentucky. This legislation has the potential to remove one of the most significant economic competitive advantages the Commonwealth currently has. Cost increases without significant environmental benefit threaten our short-term economic recovery, but in the long-term, jeopardize Kentucky's competitive advantage in delivering low cost energy that attract new and expanding industry in the long-term.

Carbon-based fuels are, and will remain for decades to come, a significant portion of our nation's energy system. Kentucky's coal reserves are among its richest natural resources and have allowed our energy companies to generate power at much lower costs for our state and region of the country. Preliminary analyses suggest that if this legislation moves forward, Kentucky may likely be among the most negatively affected of all states due to resulting cost increases of carbon taxes. Higher energy costs will have the deleterious effect of killing job growth and creating job loss.

If the goal of H.R. 2454 is to assist the country in transitioning to a low-carbon energy future, then legislation of this type must do a better job of ensuring that cost effective and reliable renewable and alternative energy sources are developed and deployed. Likewise, this bill will clearly have a cost, and while free allocations may keep some prices down, others will skyrocket. A May 2009 study released by the National Black Chamber of Commerce estimates annual drops in gross domestic product (GDP) of \$170 billion in 2015, \$350 billion in 2030, and \$730 billion in 2050. The study concludes that 2.3 million to 3 million net jobs will be lost – many of which may be within our state borders. We would encourage you to ensure that provisions are included in H.R. 2454 to safeguard against devastating economic losses, such as a safety valve on the price of carbon credits or lowering the overall emissions caps.

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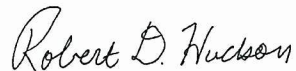
Finally, there is no global agreement on greenhouse gas emissions. A program such as is outlined in H.R. 2454 could seriously affect U.S. trade and trade relations. We believe it would invite retaliation against U.S. exporters and make U.S. companies that rely on imports less competitive without any indication that emissions would be reduced.

Since this proposed legislation has gone through many recent changes, there are many unknowns as to its impact and consequences. We would encourage Congress to slow down and thoroughly analyze this bill as to its cost/benefits. In particular, we would ask you as our U.S. Representatives, to carefully evaluate the impact and potential consequences for Kentucky of enacting this legislation.

In today's weakened economy that is struggling to make a recovery, Kentucky families, communities and businesses cannot sustain higher energy costs without creating additional job losses and further weakening our economy. We urge you to delay your vote on this legislation until you have clearly analyzed the ramifications of H.R. 2454 on Kentucky.

Thank you for your consideration and work on this complex issue.

Sincerely,



Robert Hudson

Chair of the Board



Steve Stevens, CCE

President