



May 16, 2019

The Honorable Rob Portman  
United States Senate  
448 Russell Senate Office Building  
Washington, D.C., 20510

The Honorable Tina Smith  
United States Senate  
720 Hart Senate Office Building  
Washington, D.C., 20510

Dear Senators Portman and Smith:

On behalf the National Cooperative Business Association CLUSA, I would like to express our strong support for the Revitalizing Underdeveloped Rural Areas and Lands (RURAL) Act, S.1032. NCBA CLUSA is the apex trade association representing the more than 65,000 cooperative businesses across the United States, including rural electric cooperatives.

NCBA commends your leadership in introducing the RURAL Act and appreciates your support of both the tax treatment of cooperative businesses and the ability of cooperatives to meet and respond to the unique needs and challenges of the communities they serve.

As you know, rural electric cooperatives have a long history of meeting the energy needs of rural America that may otherwise go unmet. In the 1930s, just 10 percent of rural households had access to electricity. Recognizing the important role agriculture has always played in our economy, the federal government created programs to incentivize electric companies to serve rural communities because it would not increase their bottom line. Farmers, ranchers and other business owners in rural areas embraced the cooperative business model and stepped up to build member-owned electric cooperatives, resulting in affordable electricity reaching more than 90 percent of U.S. farms within a generation. Policymakers recognized the benefits of cooperatives and empowered citizens to use them. Today, electric cooperatives serve more than 42 million Americans.

While the challenges our communities face may change, cooperative businesses remain an integral part of the solution. As member-owned businesses, cooperatives place the needs of the people they serve at the forefront of their investments and work to keep rates affordable and service reliable. For that reason, it is critical that cooperatives are not forced to put their tax treatment at risk in order to serve the evolving needs of the citizens they serve, whether it be affordable broadband service to close the digital divide or rebuilding in the aftermath of a natural disaster. By amending the tax code to allow cooperatives to access certain government grants and assistance while maintaining the current tax treatment, you continue the legacy of policymakers empowering its citizens to use the cooperative business model to serve the community and grow the economy. Once again, thank you for championing this important legislation and reaffirming your support of cooperatives. We look forward to working with you and the committee to move this important bill forward.

Sincerely,

A handwritten signature in black ink, appearing to read "D. O'Brien", with a long horizontal line extending to the right.

Doug O'Brien  
President and CEO  
National Cooperative Business Association CLUSA

Cc: The Honorable Charles Grassley, Chairman, Senate Committee on Finance  
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance