

Nov. 24, 2009

Barack H. Obama  
The President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear President Obama,

We are writing today to draw your attention to a unique opportunity for a breakthrough in advance of Copenhagen - that of ending fossil fuel subsidies that contribute to climate change to provide climate finance for mitigation and adaptation in developing countries. Funds that have previously been used to support the industry primarily responsible for global greenhouse gas emissions are a very appropriate source for climate finance. We believe a strong U.S. commitment in this area will be fundamental to securing a global deal.

Your vision of a global clean energy economy is unprecedented, and your leadership in promoting the end of fossil fuel subsidies at the G20 is very welcome. However, we are concerned that parts of your Administration seem to be working at cross purposes on this issue. For instance, just last week, Secretary Geithner testified before the Senate Foreign Relations Committee that developing countries will need financial support to reduce their emissions and adapt to the unavoidable effects of climate change. He also reiterated support for the G-20 decision to phase out inefficient fossil fuel subsidies. Yet, these laudable goals are being undermined by other parts of your administration. For example, the newly released carbon policy of the US Export-Import Bank (Ex-Im) makes no commitment to phase out, or even reduce support for, fossil fuels. Ex-Im's refusal to end its ongoing substantial support for fossil fuels undermines the spirit, intent, and credibility of the G20 pledge. In addition, ongoing support for fossil fuel projects by the U.S. representatives to the World Bank and other international financial institutions further weakens United States credibility and leadership on these issues.

Mr. President, you have the power to end these subsidies immediately, unlike most domestic subsidies which will require Congressional legislation to eliminate. In Secretary Geithner's words, ending subsidies to fossil fuels would "*provide a down-payment on our commitment to reduce greenhouse gas emissions.*" Therefore, we urge you to take the following steps:

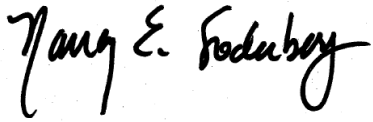
- Instruct all federal agencies to end all U.S. support for fossil fuels that contribute to climate change, and that are not specifically appropriated as such, in particular via the export credit agencies and the international financial institutions. This includes instructing the U.S. Executive Director at the World Bank, and U.S. representatives to other multilateral development banks to vote against any such subsidies;
- Establish in principle, and pledge in Copenhagen, that money saved by eliminating fossil fuel subsidies will be devoted primarily to international climate finance efforts; and
- Propose an independent, standardized and regular reporting on fossil-fuel subsidies and an international framework including civil society participation for monitoring them.

We recognize that further research will be needed to quantify fully the scale of ongoing and historical United States and G20 subsidies for fossil fuels. Whatever the final number, establishing the principle that public money should no longer be used to support the fossil fuel industry, and should instead be used to finance a global clean energy transition and climate adaptation, will help secure progress on the global climate negotiations. Establishing that principle, at this time, sends an important, historic

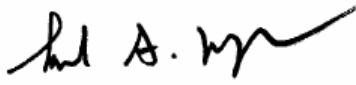
message about our nation's priorities – and will solidify U.S. leadership on the international stage while helping to create more good jobs in a clean energy economy.

We continue to welcome and stand ready to assist your announced intent to prepare plans to phase out fossil fuel subsidies and to provide climate finance assistance to developing nations. As Copenhagen fast approaches, a significant part of the solution to both these problems is right in front of us.

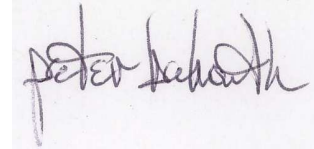
Sincerely,



Nancy Soderberg  
President  
The Connect U.S. Fund



Samuel A. Worthington  
President and CEO  
InterAction



Peter Bahouth  
Executive Director  
U.S. Climate Action Network



Gillian Caldwell  
Campaign Director  
(CEO equivalent)  
1Sky

/ cc: Todd Stern, Timothy Geithner