



# Claiborne Electric Cooperative, Inc.

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**CONFIDENTIAL**

August 10, 2012

Commodity Futures Trading Commission  
David A. Stawick, Secretary of the Commission  
1155 21st Street NW  
Washington, D.C. 20581

Office of the  
Secretariat

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Received  
CFTC

Dear Commissioners:

I am writing to solicit your support of the Cooperative Exemption that would allow certain financial cooperatives to qualify for exclusion from the potentially costly clearing and margin requirements of the Dodd-Frank Act.

The proposed Cooperative Exemption would effectively pass through the end-user exception available to co-ops like mine to financial cooperatives that serve the electric cooperative network, such as the nonprofit National Rural Utilities Cooperative Finance Corporation (CFC) of which we are a member-owner. We believe that this "pass-through" is appropriate due to the unique member-owner structure of cooperatives.

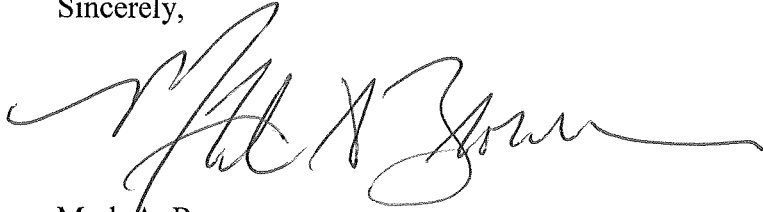
My cooperative, Claiborne Electric, serves a territory covering parts of six parishes in north-central Louisiana and delivers electric power to 24,000 meters. As a member-owner of CFC, Claiborne Electric relies on CFC to provide us with essential financial products that are critical to meeting the needs of our cooperative's members. My cooperative has used CFC funds since 1973 to build and maintain its electric infrastructure, finance buildings and heavy equipment as well as utilize its line of credit as cash management tool.

In connection with making loans to us, CFC uses over-the-counter interest rate swaps to mitigate its business risks. This use of such financial tools is instrumental in helping CFC make loans to rural electric cooperatives at the lowest possible cost of funds. If new requirements are imposed on CFC, the increased costs will undoubtedly be borne by our consumers in the form of higher rates.

I believe it is appropriate for CFC, as a cooperative financial entity owned by electric cooperatives, to be exempt from clearing and margin requirements, just as individual co-ops like mine would be exempt if they executed these transactions on their own.

Thank you for your time spent reviewing my request.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Brown". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Mark A. Brown  
General Manager and CEO  
Claiborne Electric Cooperative, Inc.