



June 18, 2009

The Honorable John Thune
United States Senate
493 Russell Senate Office Building
Washington, DC 20510

Dear Senator Thune:

On behalf of the 362,000 members of the National Taxpayers Union (NTU), I write in support of S. 1242, your “Government Ownership Exit Plan Act of 2009.” This legislation would protect taxpayers from the risks associated with nationalizing institutions by requiring federal divestiture of ownership stakes, prohibiting government meddling in management, and instructing the Treasury Department to develop a plan that will end the Washington’s conservatorship of Fannie Mae and Freddie Mac.

The bill would require the Treasury Department to sell any stake in a private entity by July of 2010. In addition, it stipulates that the resultant revenue be dedicated to reducing our staggering national debt, which is soaring past \$11.4 trillion as you read this letter. By setting a firm end-date for government ownership of private firms and ending reliance on taxpayers, this provision would help to spur the fundamental structural changes needed for a robust economic recovery.

Furthermore, the legislation would put an end to the federal government’s intervention in the day-to-day business decisions faced by nationalized firms. It would prevent the federal government from engaging in activities such as appointing executives, modifying existing contracts, or influencing plant closures. Government is incapable of being an impartial arbiter, and politicians have no place in the boardroom. As numerous investigations from the Government Accountability Office and others have shown, federal entities are less, not more, competent stewards of finances.

Finally, the bill mandates that the Secretary of Treasury submit to Congress a plan to end the federal government’s conservatorship of Fannie Mae and Freddie Mac. If subprime mortgages are the drugs from which our economy is now withdrawing, then Fannie and Freddie were their pushers. This bill would do what Congress should have done years ago: remove the threat to taxpayers and establish these companies as private entities.

NTU applauds your efforts to restore rationality after the insanity we’ve seen in recent months. We look forward to working with you to pass this vital legislation. Any roll call votes on S. 1242 will be **heavily weighted** in our annual Rating of Congress.

Sincerely,

Andrew Moylan
Director of Government Affairs