

February 19, 2016

TO: NRECA Board of Directors
Distribution CEOs
Statewide Managers
G&T Managers

Co-ops Vote to Boost Electric Co-op Voice in Elections

Co-ops Look to Future Rural Progress at Annual Meeting

Thank you to the 6,500 electric co-op leaders who joined with tremendous co-op spirit at the <u>Annual Meeting</u> to discuss how we can work together on solutions to our economic, environmental and political challenges. We're proud that Agriculture Secretary Tom Vilsack recognized the "great work" of electric co-ops in providing power for small and farm communities and their role in moving rural America the "right direction." <u>Youth Tour</u> spokesperson Collin Craig's (Wiregrass Electric - AL) <u>speech</u> inspired us with optimism for our future electric co-op leaders.

South Carolina Co-op Community Forum Gets Presidential Campaign Attention

Broad River Electric Cooperative's 3E Community Engagement Forum brought Republican presidential candidate <u>Donald Trump</u> to Gaffney, SC, last night! The forum sponsored by Broad River and the South Carolina statewide highlighted co-op and community issues during the primary. It builds on the Rural Power program initiated by the Iowa Association of Electric Cooperatives and supported by NRECA, where co-op representatives engaged with all major Democratic and Republican presidential campaigns this cycle. Broad River Electric sent invitations to all Democratic and Republican candidates to have a town hall.

House and Senate Leaders Supporting RUS Loan Program

We're making an early push to ensure an adequate loan level for the Rural Utilities Service (RUS) Electric Loan Program in this year's annual appropriations cycle, which is moving at a faster pace than in previous years. We're working with statewide associations to get lawmakers to sign the RUS letters led by House Agriculture Chairman Conaway (R-TX) and Ranking Member Peterson (D-MN) and Sens. Inhofe (R-OK) and Heitkamp (D-ND). The letter (latest

House signers list attached) supports the current \$5 billion RUS loan levels. It also asks the Appropriations committees to reject RUS loan restrictions in the Administration's budget similar to those we've seen and defeated before. A key selling point in our letter – RUS loans will reduce the deficit nearly \$300 million in FY17 alone. We'll send both letters to Appropriations leaders the week of March 14.

House Bill would Help Electric Co-ops Access More Financing Options

NRECA supports legislation (H.R. 4575) that will allow Federal Home Loan Banks to purchase securities issued by the <u>National Rural Utilities Cooperative Finance Corp.</u> to provide financing for electric co-op infrastructure projects. The bill sponsored by Reps. Poliquin (R-ME) and David Scott (D-GA) would provide more diverse funding opportunities. The bill language is similar to a provision in legislation that passed the Senate Banking Committee with bipartisan support in the previous Congress.

Rural America Should Get Robust Broadband Service

NRECA led a coalition letter (attached) urging the Federal Communications Commission (FCC) to make sure robust broadband service is deployed in rural areas. The FCC should establish criteria for smart investments in broadband systems that can meet future needs, are scalable and will have the most long-term benefits. Thirty-five rural groups signed the letter pushing the FCC to make sure its Connect America Fund Phase II "reverse auction" distributes the limited remaining funding to high-speed networks that offer robust capabilities to retain or attract businesses and economic development while also providing infrastructure that can withstand the ever-increasing definitions of broadband service.

The FCC should also ensure that consumers in rural areas have access to broadband services that are reasonably comparable in both cost and quality to broadband services typically available in urban areas. Rural America should not be left behind with second-class broadband.

Still Time to Join on LIHEAP Letter

We're at the final push on the coalition <u>letter</u> urging Congress to provide adequate funding for the vital LIHEAP program and ask other community organizations interested in energy assistance to sign on as well. We want full LIHEAP funding of \$4.7 billion. We'll take the letter to the Hill as part of a broad coalition on LIHEAP Action Day (March 1-2). The deadline to sign is Wednesday, February 24.

ECBA Webinar to Address Website Accessibility and ADA

You can still register for the free <u>Electric Cooperative Websites and the Americans with Disabilities Act</u> to be held at 1 p.m. (EST) Tuesday, February 23. NRECA members recently received a letter alleging their website violates the Americans with Disabilities Act. The Electric Cooperative Bar Association is sponsoring the webinar (details attached). Contact <u>Bill Roche</u>.

Directors Conference Registration Now Open

The 2016 Directors Conference in Austin, TX, on April 4-5 will feature sessions on several

issues distribution co-op directors confront, including cybersecurity and data breach risks, decision-making on solar energy investments and potential paths in the changing utility industry. Other sessions will focus on governance best practices, political engagement and what CEO's want from their boards.

Attached: House RUS letter signers, FCC broadband letter, ECBA webinar brochure.