




**National Rural Electric
Cooperative Association**

A Touchstone Energy® Cooperative 

May 13, 2013

Dear Chairman Stabenow and Ranking Member Cochran:

On behalf of the National Rural Electric Cooperative Association (NRECA), I write to express strong support for the Agriculture Reform, Food and Jobs Act of that will be considered by the Senate Committee on Agriculture on May 14, 2013. I would also like to express my sincere thanks to you both for your leadership on agriculture and rural development policy. On behalf of over 17 million electric cooperative consumer-members represented by members of this committee, let me express my appreciation for your efforts to ensure critical advancements are made in rural America.

NRECA is the national service organization representing over 900 not-for-profit, member-owned, rural electric cooperative systems, which serve 42 million customers in 47 states. NRECA estimates that cooperatives own and maintain 2.5 million miles or 42 percent of the nation's electric distribution lines covering three-quarters of the nation's landmass. Electric cooperatives serve approximately 18 million businesses, homes, farms, schools and other establishments in 2,500 of the nation's 3,141 counties.

This legislation includes a number of elements that will ensure electric cooperatives are able to provide affordable, reliable electric power to their member-owners. The reauthorization of Sec. 313A of the Rural Electrification Act continuing the guaranteed underwriter loan program helps ensure affordable financing options remain available to electric cooperatives.

In addition, the Rural Development title provides the authority for rural electric cooperatives to relend to consumer-members at low interest rates through RUS for energy efficiency improvements. Through these loans, rural consumers will be able to make affordable upgrades to their homes and small businesses, and will ultimately conserve energy and save money on their electric bills. We appreciate the Committee's recognition that energy efficiency improvements can help lower electricity costs, while conserving energy and creating jobs.

RUS also provides essential assistance to rural communities that continue to lack adequate access to broadband services. NRECA appreciates the Committee's effort to add a grant component the RUS broadband loan program, which can make projects more financially feasible for the most rural areas. However, NRECA opposes the language in Section 6104 that would add new regulatory burdens on small, rural broadband providers. As written, the changes to this program will make this program more costly and burdensome for cooperatives to use in bringing broadband to rural America and will serve to discourage participation. These provisions are inconsistent with our nation's

broadband goals and efforts to spur investment and bringing economic recovery to all Americans.

NRECA also supports the Committee's inclusion of an update to a previous study of rail transportation in rural America. This update will keep current the data on the impacts of the railroads' service to rural America to help ensure the economies of communities across rural America are not throttled by the railroads' treatment of captive shippers.

NRECA urges the Senate Committee on Agriculture to pass the Agriculture Reform, Food and Jobs Act of 2013. We look forward to continued work with the Committee and members of the Senate on the advancement of rural communities through the reauthorization of the Farm Bill.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kirk Johnson", with a long horizontal flourish extending to the right.

Kirk Johnson