

*Speak*

*Feb. 14  
Tues.  
11:00 am  
(during recess)*



**KANSAS ELECTRIC COOPERATIVES, INC.**

5709 WEST 21ST STREET • TOPEKA • AC 913 272 8740

MAILING ADDRESS P.O. BOX 4267 • GAGE CENTER STATION • TOPEKA, KANSAS 66604-0267

LESTER L. MURPHY, JR.  
Executive Vice President

*in D.C.*

December 16, 1988

The Honorable Bob Dole  
United States Senate  
141 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Dole:

The National Rural Electric Cooperative Association (NRECA) will be holding its annual meeting during the week of February 12-15 in Washington, D.C. We are expecting over 11,000 managers, employees and board members from the more than 1000 rural electric cooperatives across the country in attendance.

NRECA regularly invites noteworthy businessmen, celebrities, and political leaders to give the keynote speech to the attendees. In the past several years, NRECA has not scheduled an individual to address the convention who has your political credentials. Because I believe NRECA and the rural electric cooperatives across the country could benefit from your political knowledge, insight and remarks, I have encouraged NRECA for several years to invite someone of your stature to speak at NRECA's annual convention.

NRECA is holding the keynote speaker's position open for you if you choose to accept. This would be at 11:00 a.m., Tuesday, February 14, 1989. Ms. Betty Meyers, of your staff, has indicated that the Senate will be in recess during that time period and therefore, she did not know if you would be in the D.C. area. NRECA and Kansas Electric Cooperatives would be more than happy to assist in making the necessary arrangements, if at all possible, for you to be in D.C. to speak at the convention.

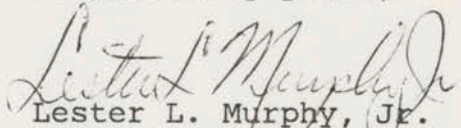
Senator, the Kansas rural electric cooperatives sincerely appreciate all that you have done, not only for the RECs in Kansas, but across the nation. Your assistance in the Sunflower and KEPCo matters over the last several years has literally saved the Kansas rural electric consumers hundreds of thousands of

*12/19 Copy to Mark  
1-5 interim letter*

Senator Bob Dole  
December 16, 1988  
Page Two

dollars. We would sincerely appreciate the opportunity to hear you speak at the NRECA National Convention. If there is anything that I or my staff or NRECA could do to accomplish this, please let me know.

Respectfully yours,

  
Lester L. Murphy, Jr.  
Executive Vice President

LLM:jh

cc. Jim Buttron, President, KEC  
John Peterson





# National Rural Electric Cooperative Association

1800 Massachusetts Avenue, N.W.  
Washington, D.C. 20036  
Telephone: 202/857-9500

*Copy to Mark*

*O.K.*

November 14, 1988

*Feb. 14  
Tues  
(during recess)  
11:00 am*

*at Wash. Convention Ctr.  
Hall "A"  
Mark  
Berg*

*introduced by  
Byron Carpenter  
Stanton, Mo*

The Honorable Robert Dole  
Minority Leader  
U.S. Senate  
Washington, D.C. 20510

Dear Mr. Minority Leader:

On behalf of the NRECA Board of Directors, the staff and members, I wish to invite you to participate in the program of NRECA's 47th Annual Meeting, to be held here in Washington, D.C. at the Washington Convention Center, February 12-15, 1989.

Specifically, we would like to have you address delegates at the general session on Tuesday, February 14 at approximately 11:00 a.m., the traditional featured spot on our program. This is the first time in 30 years that NRECA has held its annual meeting in Washington, and we expect 11,000 people or more to attend. This includes a sizeable number from Kansas. As you know, our annual meeting brings together the leadership of 1,000 rural electric systems, which serve more than 25 million consumers in 46 states.

An NRECA staff person will be happy to work with you and your staff on any details involving your participation. It is customary, of course, for NRECA to pay an honorarium to all its speakers. We would appreciate an early response and hope that it will be a favorable one.

*Contact:  
Bob Nelson  
857-9545*

*(to charity)*

Sincerely yours,

Bob Bergland  
Executive Vice President

BB:sh

*1/27 Advised Bob Nelson Sen. would do  
12-1 Interim letter*



*\$7,000 box.*

NRECA 47TH ANNUAL MEETING  
TUESDAY, FEBRUARY 14TH, 1989

0 IT'S A PLEASURE TO BE HERE AT YOUR 47TH  
ANNUAL MEETING. IT'S BEEN <sup>30</sup>~~40~~ YEARS SINCE YOU  
LAST MET IN WASHINGTON. MANY THINGS HAVE  
CHANGED SINCE THEN, BUT ONE FACT REMAINS --  
"NRECA" IS STILL A STRONG AND RESPECTED VOICE  
FOR RURAL AMERICA.

0 IT'S NICE TO SEE SO MANY FAMILIAR FACES HERE  
TODAY. YOU AND I HAVE WORKED TOGETHER YEAR  
AFTER YEAR TO MAKE A DIFFERENCE FOR OUR  
RURAL NEIGHBORS. I HAVE ALWAYS VALUED YOUR  
INPUT AND PROFESSIONALISM.

-2-



0 1988 WAS A REAL ROLLER COASTER YEAR FOR BOB DOLE. DESPITE THE RESULTS FROM THE PRESIDENTIAL CAMPAIGN TRAIL, I TREASURE THE EXPERIENCE -- EVEN IF NEW HAMPSHIRE CHANGED OUR PLANS. IN FACT, ELIZABETH AND I HAVE BEEN OUT LOOKING AT NEW HOUSES. YOU SEE, WE HAD PLANNED MOVING INTO A HOUSE ON PENNSYLVANIA AVENUE. THAT DIDN'T WORK OUT, SO NOW WE'RE LOOKING FOR A NEW HOUSE. WE'RE NOT PICKY -- AS LONG AS IT'S WHITE!

-3-

BUT SERIOUSLY, ONE OF THE MOST REWARDING  
EXPERIENCES I HAD ON THE CAMPAIGN TRAIL WAS  
MEETING PEOPLE WHO HAD NEVER BEEN ON A FARM,  
OR HADN'T GROWN-UP IN A RURAL SETTING, BUT  
WOULD COME UP TO ME AND ASK - "HOW ARE THE  
FARMERS DOING?"

-4-

0 IT WAS A STRONG SIGNAL THAT THE PLIGHT OF  
RURAL AMERICA IS BECOMING AN ALL-AMERICAN  
CONCERN. SOME FOLKS MAY NOT KNOW WHAT A  
COMBINE IS, BUT MANY DO KNOW THAT FARMERS  
AND FARM FAMILIES, AND THE BUSINESSMEN AND  
WOMEN UP AND DOWN MAIN STREET, ARE  
ESSENTIAL TO A HEALTHY AMERICA.

-5-



0 WE WILL FACE MANY CHALLENGES IN THE NEXT  
FOUR YEARS OF THE BUSH ADMINISTRATION. BUT  
OUR GREATEST CHALLENGE TODAY IS ONE THAT  
AFFECTS THE QUALITY OF LIFE FOR EACH AND  
EVERY AMERICAN, BOTH RURAL AND URBAN. IT  
DOES NOT RECOGNIZE GEOGRAPHICAL  
BOUNDARIES OR POLITICAL PARTIES. I'M TALKING  
ABOUT THE BUDGET DEFICIT -- IT'S STILL PUBLIC  
ENEMY NUMBER ONE.

-6-

0 BUDGET

PRESIDENT BUSH PRESENTED HIS IDEAS LAST WEEK.  
THE BUDGET COMMITTEES SHOULD BEGIN HEARINGS  
WITHIN THE NEXT FEW WEEKS. WE NEED TO REDUCE  
THE DEFICIT BY \$25 - \$30 BILLION TO ACHIEVE THE  
MANDATED GRAMM-RUDMAN-HOLLINGS TARGET OF  
\$100 BILLION FOR FISCAL YEAR 1990.

-7-

0 DEFICIT REDUCTION WILL BE REACHED IN ONE OF  
TWO WAYS. IF THE NEW ADMINISTRATION AND  
CONGRESS DO NOT AGREE ON A DEFICIT  
REDUCTION PLAN, THE GRAMM-RUDMAN-HOLLINGS  
LAW WOULD TRIGGER AUTOMATIC  
ACROSS-THE-BOARD CUTS OF ABOUT 10 PERCENT  
STARTING IN OCTOBER OF 1989.

-8-



O I DO NOT BELIEVE ANYONE WANTS TO SEE THAT  
KIND OF SICKLE SWEEP ACROSS EVERY FEDERAL  
PROGRAM, ESPECIALLY AGRICULTURE. NEVERTHELESS,  
THE BUSH ADMINISTRATION HAS SIGNALLED ITS  
READINESS TO LET THE SEQUESTER GO INTO EFFECT IF  
CONGRESS DRAGS ITS HEELS.

-9-

0 THE SECOND ALTERNATIVE IS THE BEST WAY TO GO:  
  
COOPERATION BETWEEN THE CONGRESS AND THE  
  
WHITE HOUSE. A BUDGET AGREEMENT, SIMILAR TO  
  
THE ONE CONGRESS REACHED IN 1987, WOULD  
  
PROVIDE MORE FLEXIBILITY, MORE SENSITIVITY AND  
  
MORE GRASSROOTS INPUT FRPM GROUPS SUCH AS  
  
THIS ONE.

-10-

0 SO WHETHER IT'S A ONE YEAR AGREEMENT, OR A  
TWO YEAR AGREEMENT, LET ME JUST SUGGEST  
THAT THOSE OF YOU WHO REPRESENT  
AGRICULTURE AND RURAL AMERICA NEED TO KEEP  
THE PRESSURE ON MEMBERS OF CONGRESS TO  
REACH AN AGREEMENT AND AVOID A SEQUESTER.

-11-



## REA'S FUTURE

0 I KNOW MANY OF YOU ARE INTERESTED IN THE  
FUTURE OF "REA" AND THE "POWER MARKETING  
ADMINISTRATION". AS YOU KNOW, PREVIOUS  
BUDGETS HAVE SOUGHT TO TERMINATE THESE  
AGENCIES, ALTHOUGH CONGRESS HAS BEEN ABLE  
TO SAVE THE DAY.

-12-

## ENERGY ISSUES

0 MANY OF YOU HAVE ALSO BEEN ASKING WHETHER  
THERE WILL BE AN ACID RAIN BILL THIS YEAR. I  
KNOW THE NATIONAL RURAL ELECTRIC  
COOPERATIVES HAVE MADE AN EXTENSIVE CAPITAL  
INVESTMENT TO MEET THE CLEAN AIR STANDARDS  
AND THAT IS REFLECTED IN YOUR RATE BASE.

-13-

0 AND I KNOW YOU AREN'T INTERESTED IN HAVING TO  
PAY TWICE FOR THE CLEAN-UP PROBLEM: ONCE  
FOR YOUR OWN PLANTS AND AGAIN FOR OTHERS  
WHO HAVE BEEN LESS RESPONSIBLE THAN YOU  
HAVE. RESPONSIBLE LEGISLATION MUST ADDRESS  
THIS ISSUE.

-14-



0 IT IS A FACT OF LIFE THAT RURAL SERVICE LOADS  
ARE MUCH LESS THAN URBAN LOADS WITH A  
PROPORTIONATE DIFFERENCE IN COSTS. IT IS  
IMPORTANT THAT NRECA CONTINUE TO EDUCATE  
MEMBERS ON THE DIFFERENCES THAT EXIST  
BETWEEN MUNICIPAL UTILITIES AND RURAL  
UTILITIES.

-15-

0 ANOTHER ISSUE I KNOW YOU ARE INTERESTED IN IS  
THE REFINANCING OF FFB LOANS. CONGRESS HAS  
ALREADY MADE SOME PROGRESS IN THIS AREA  
PERMITTING SOME \$2.5 BILLION TO BE  
REFINANCED. MANY IN CONGRESS ARE TAKING A  
LOOK TO SEE WHAT MORE CAN BE DONE TO  
ADDRESS THE ADDITIONAL \$3.5 - \$5 BILLION THAT IS  
STILL OVER 10 PERCENT INTEREST.

-16-

## RURAL DEVELOPMENT

- O I KNOW THAT NRECA SHARES MY CONCERN OVER THE NEED TO REVITALIZE RURAL AMERICA. OUR SMALL COMMUNITIES ARE LOSING JOBS, POPULATION AND OPPORTUNITIES FOR THE FUTURE.
- O THIS ECONOMIC EROSION IN RURAL AMERICA PRESENTS US WITH SOME PRETTY DIFFICULT QUESTIONS. WILL WE HAVE ADEQUATE HEALTH CARE? WILL THERE BE ENOUGH DOCTORS AND HOSPITALS TO SERVE THE NEEDS OF OUR PEOPLE?



WILL THERE BE QUALITY ROADS AND  
TRANSPORTATION TO CONNECT OUR RURAL  
COMMUNITIES? CAN WE GUARANTEE A FUTURE SO  
THAT YOUNG MEN AND WOMEN WANT TO STAY ON  
THE FARM AND ON MAIN STREET?

-18-

0 WE WILL TAKE A CLOSE LOOK AT RURAL  
DEVELOPMENT ISSUES THIS YEAR. BUT WITH THE  
DEFICIT TOWERING ABOVE US, WE WON'T HAVE A  
LOT OF MONEY TO SPEND -- OUR EFFORTS WILL  
HAVE TO BE CAREFULLY TARGETED. WE NEED TO  
FOCUS ON HOW TO ATTRACT SMALL BUSINESSES  
TO RURAL AREAS, HOW TO ENSURE THAT RURAL  
AREAS RECEIVE A "FAIR-SHARE" OF LIMITED  
FEDERAL DOLLARS AND HOW TO COORDINATE  
EFFORTS WITH STATES, LOCAL UNITS OF  
GOVERNMENT AND THE PRIVATE SECTOR.

-19-

## RURAL HOSPITAL BILL

0 I TRIED TO PUT THE SPOTLIGHT ON RURAL AMERICA  
ON THE OPENING LEGISLATIVE DAY OF THE 101ST  
CONGRESS BY INTRODUCING A BILL TO HELP RURAL  
HOSPITALS

-20-

0 SINCE 1983, 188 RURAL HOSPITALS HAVE CLOSED  
DOWN -- 46 CLOSED IN 1988 ALONE. THAT'S WHY  
TEN OF MY COLLEAGUES HAVE ALREADY JOINED ME  
IN SPONSORSHIP OF S. 10 -- THE RURAL HOSPITAL  
EQUITY ACT. IT WILL HELP MANY RURAL HOSPITALS  
GET MUCH-NEEDED ADDITIONAL MEDICARE  
FUNDING SO THEY CAN PROVIDE QUALITY HEALTH  
CARE TO OUR RURAL COMMUNITIES.

LET'S FACE IT, RURAL HOSPITALS FACE SOME

-21-



UNIQUE CHALLENGES; CHALLENGES THAT OUR URBAN  
COUNTERPARTS JUST DON'T FACE; THAT'S WHY RURAL  
FACILITIES NEED SPECIAL CONSIDERATION IN THE  
SHORT RUN.

0 I ALSO JOINED WITH SENATOR BENTSEN AND 36 OF  
MY COLLEAGUES IN INTRODUCING S. 306 TO  
ENSURE A MORE PERMANENT SOLUTION TO THE  
RURAL HOSPITAL PROBLEM.

-22-

0 THE BOTTOM LINE FOR RURAL AMERICA IS THIS: --

WE NEED TO FIND WAYS TO DIVERSIFY THE

ECONOMIES OF FARM COMMUNITIES AND IMPROVE

EDUCATION AND VOCATIONAL TRAINING

OPPORTUNITIES FOR FARMERS AND OTHER RURAL

CITIZENS. WE MUST KEEP BASIC SERVICES IN RURAL

AMERICA TO ATTRACT NEW BUSINESSES AND

CREATE NEW JOBS AND ENHANCE THE STANDARD

OF LIVING FOR THE 25 PERCENT OF OUR CITIZENS

WHO LIVE IN RURAL AREAS.

-23-

## THE 1985 FARM BILL AND BEYOND

0 THE GOOD NEWS FOR RURAL AMERICA IS THAT THE  
1985 FARM BILL IS WORKING! I'M PROUD OF THE  
ROLE THAT YOU AND I PLAYED IN MAKING IT  
HAPPEN. REMEMBER FOUR YEARS AGO? THERE  
WERE PLENTY OF CRITICS BACK THEN, BUT EVEN  
THE CYNICS ARE ADMITTING TODAY THAT THE BILL  
HAS NOT ONLY WORKED, BUT THAT IT HAS HELPED  
SAVE RURAL AMERICA.

-24-

SO I DON'T LOOK FOR ANY MAJOR RE-WRITE THIS

TIME AROUND. THE 1985 BILL HAD THREE BASIC

OBJECTIVES: 1) MAINTAIN FARM INCOME; 2) INCREASE

MARKET SHARE; AND 3) MEET BUDGET PARAMETERS

OF ABOUT \$51 BILLION OVER THREE YEARS.

0 WELL, IT'S PASSING THE TEST:

-25-



NET CASH INCOME HAS RISEN EVERY YEAR AND WAS A RECORD IN 1987, ALTHOUGH IT WAS DOWN SLIGHTLY IN 1988 DUE TO THE DROUGHT. NET FARM INCOME WAS A RECORD IN 1987. MARKET SHARE IS APPROACHING HISTORIC LEVELS AND EXPORT VALUE AND VOLUME ARE UP ABOUT 30%.

-26-

0 THE THREE YEAR COSTS FROM FY 87-89 ARE ABOUT  
ON TARGET WITH THE ORIGINAL COST EXPECTATION  
OF SLIGHTLY OVER \$50 BILLION. THE FISCAL YEAR  
1986 COSTS WERE A RECORD \$25.8 BILLION, BUT  
SOME OF THAT REFLECTED COMMITMENTS MADE IN  
THE 1985 CROP YEAR, WHICH WAS STILL PART OF  
THE 1981 FARM BILL. CCC OUTLAYS FOR FY 1990  
ARE PROJECTED TO BE ABOUT \$11.6 BILLION.

-27-

0 SO THE VIEW ON CAPITOL HILL -- AND ACROSS  
FARMLAND AMERICA -- SEEMS TO BE EXTENDING  
THE CURRENT FARM BILL FOR ONE YEAR AS PART  
OF A BUDGET RECONCILIATION PACKAGE THAT  
COULD BE ADOPTED LATER THIS YEAR. CONGRESS  
COULD THEN WRITE A NEW FOUR YEAR FARM BILL  
IN 1991. THIS WOULD ALSO PLACE THE NEXT FARM  
BILL INTO A NON-ELECTION YEAR (NINE OF  
NINETEEN MEMBERS OF THE SENATE AGRICULTURE  
COMMITTEE ARE UP IN 1990) AND IT WOULD ALSO  
PUT US INTO THE THIRD YEAR OF THE BUSH  
ADMINISTRATION.

0 THE OTHER OPTION WOULD INCLUDE ALLOWING  
THE CURRENT FARM BILL TO RUN ITS COURSE  
THROUGH 1990 AND WRITING A NEW BILL, POSSIBLY  
A 4-5 YEAR FARM BILL. IF WE DO DECIDE TO WRITE A  
NEW BILL, I WILL PUSH TO HAVE IT COMPLETED BY  
JUNE OF 1990 TO HELP WINTER WHEAT FARMERS  
WITH THEIR PLANTING INTENTIONS.

-29-



## 1989 CROP / DROUGHT

0 ALL OF THIS SO-CALLED CONVENTIONAL WISDOM  
ASSUMES A NORMAL CROP YEAR. IF THE DROUGHT  
REPEATS THIS YEAR -- THEN ALL BETS ARE OFF.  
MEMBERS WOULD LIKELY WAIT UNTIL JULY WHEN  
THE WHEAT IS IN AND THE CORN CROP IS BEING  
MADE AND THE OUTLOOK FOR SOYBEANS IS  
CLEARER BEFORE WE WOULD KNOW WHAT IS  
GOING ON.

-30-

## AREAS OF POSSIBLE CHANGE

0 MOST COMMENTATORS HAVE BEEN TALKING ABOUT  
THE NEED FOR GREATER FLEXIBILITY IN FARM  
PROGRAMS AND THE NEED TO ADDRESS  
ENVIRONMENTAL ISSUES LOOMING ON THE  
HORIZON SUCH AS GROUNDWATER.

-31-

## FLEXIBILITY

0 NEXT FARM BILL WILL NEED TO HAVE MUCH MORE FLEXIBILITY, ESPECIALLY IN THE AREA OF CROP-SPECIFIC BASES. MANY FARMERS FEEL THE CURRENT POLICY OF CROP-SPECIFIC BASES NOW LOCKS THEM INTO GROWING A CROP TO QUALIFY FOR GOVERNMENT PAYMENTS. THEY WOULD LIKE MORE LEEWAY TO SWITCH BETWEEN CROPS WHILE PROTECTING BASES.

-32-

## GROUNDWATER

0 MORE ATTENTION WILL BE PAID TO GROUNDWATER  
AND OTHER ENVIRONMENTAL ISSUES.  
AGRICULTURE HAS A STAKE IN THIS DEBATE AND  
WILL NEED TO DEVELOP SOLUTIONS THAT FARMERS  
CAN LIVE WITH.

-33-



## ECARP

0 LAST YEAR I INTRODUCED THE ENVIRONMENTAL  
CONSERVATION ACREAGE RESERVE PROGRAM --  
OR ECARP -- WHICH SETS UP A LONG-TERM  
RESERVE SIMILAR TO THE CRP BUT TARGETED TO  
ENVIRONMENTAL CONCERNS -- GROUNDWATER,  
SOIL DRAINAGE, SILTATION AND OTHER RESOURCE  
MANAGEMENT PROBLEMS STEMMING FROM  
AGRICULTURAL MANAGEMENT PRACTICES.

-34-

0 WITH MARKET PRICES HIGHER NOW DUE TO THE  
DROUGHT, IT WILL BE MORE DIFFICULT TO ATTRACT  
LAND INTO THE CONSERVATION RESERVE WHICH  
NOW HAS 28 MILLION ACRES ENROLLED.  
THEREFORE SETTING UP A SIMILAR RESERVE TO  
TARGET ENVIRONMENTAL NEEDS, WHILE LIMITING  
THE OVERALL ACREAGE ENROLLED IN BOTH  
RESERVES TO REFLECT THE CURRENT MARKET  
CONDITIONS SEEMS TO MAKE SENSE.

-35-

0 OUR OBJECTIVE IS TO GIVE FARMERS MORE  
FLEXIBILITY FOR HANDLING ENVIRONMENTALLY  
SENSITIVE ACRES AND MORE TIME TO ADDRESS  
RELATED PROBLEMS. FEATURES WOULD INCLUDE  
ALLOWING ADVANCE RENTAL PAYMENTS, ALLOWING  
SET-ASIDE ACRES TO BE ENROLLED ON A  
LONG-TERM BASIS, AND ALLOWING THE SECRETARY  
TO MAKE BONUS PAYMENTS WHEN FARMERS  
AGREE TO REDUCE THEIR BASES.

-36-



0 USDA HAS BEGUN TO FOCUS ON GROUNDWATER,  
AND IS BEGINNING TO ALLOW SOME FLEXIBILITY IN  
THE CRP, BUT THEY WILL NEED A LEGISLATIVE  
MANDATE TO HAVE ENOUGH AUTHORITY TO  
ADDRESS SOME OF THESE COMPLEX ISSUES  
ADEQUATELY.

### CONCLUSION

0 PRESIDENT BUSH HAS BEGUN HIS ADMINISTRATION  
WITH A RENEWED SENSE OF COMMITMENT TO  
BIPARTISANSHIP. THIS HOLDS TRUE FOR OUR  
NEGOTIATIONS ON THE BUDGET AS WELL AS ON  
ISSUES LIKE HEALTH CARE, RURAL DEVELOPMENT  
AND FARM POLICY.



0 WE ALL HAVE A STAKE AT MAKING SURE RURAL  
AMERICA HAS THE OPPORTUNITY TO BE  
PROSPEROUS IN THE YEARS AHEAD. BUT WE ALL  
NEED TO BE REALISTIC. OUR BUDGET DEFICIT IS A  
SHARED BURDEN AND WE WILL ALL NEED TO DO  
OUR PART.

0 I LOOK FORWARD TO WORKING WITH YOU IN THE  
WEEKS AND MONTHS AHEAD.

-38-