Western States Water and Power Consumers Conference
Senator * or Department*: BAUCUS

Instructions:
Prepare one form for insertion at the beginning of each record series.
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Record Type*: Speeches & Remarks

MONTH/YEAR of Records*: September-1984
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(select subject from controlled vocabulary, if your office has one)

(2) Subject* Western States Water and Power Consumers Conference

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* "required information"
STATEMENT OF SENATOR MAX BAUCUS
WESTERN STATES WATER AND
POWER CONSUMERS CONFERENCE
BILLINGS, MONTANA
SEPTEMBER 20, 1984

LET ME BEGIN BY WELCOMING YOU TO MONTANA.

IT GIVES ME A GREAT DEAL OF PLEASURE TO BE
HERE TONIGHT.

WATER IS CRITICAL TO THE WEST - WITHOUT IT,
MONTANA AND ALL OF THE WEST WOULD BE FAR LESS
DEVELOPED THAN IT IS TODAY.

THE WESTERN STATES WATER AND POWER CONSUMERS
CONFERENCE HAS PLAYED, AND WILL CONTINUE TO PLAY,
AN IMPORTANT ROLE IN EDUCATING ALL OF US AS TO THE
UNIQUE PROBLEMS FACING THE WEST WHEN IT COMES TO
WATER DEVELOPMENT.

I WOULD ESPECIALLY LIKE TO THANK JAY DOWNEN,
JIM FOLLENSBEE, TERRY MURPHY AND THE MANY OTHERS
HERE THAT KEEP ME INFORMED AS CONGRESS CONSIDERS
MATTERS DEALING WITH WATER RESOURCES DEVELOPMENT
AND PUBLIC POWER.

I APPRECIATE YOUR HONORING ME TONIGHT FOR MY
EFFORTS TO GET THE SENATE TO ACCEPT A BILL TO
EXEMPT RURAL ELECTRIC COOPERATIONS FROM RIGHT OF
WAY RENTAL PAYMENTS.

As you know, I was a cosponsor of this legislation.

This legislation will clarify once and for all that the federal government can not charge a fee for public utilities to cross federal land.

Even though the Federal Land Management and Planning Act gave the Department of Interior and the Department of Agriculture the ability to reduce or eliminate rents from rural electric and telephone cooperatives; this administration chose not to.

Beginning in 1980, the administration began instituting rental fees for powerlines and telephone lines to cross federal lands.

Clearly, Congress never intended that public cooperatives should have to pay rent.

In one instance, the Range Telephone Cooperative in southeastern Montana was notified by the Forest Service that it would be charged approximately $2000 a year for 20 years for right-of-way fees.
This charge was for a mere 60 miles of cable.

These rental fees placed an unfair burden on Montana's and all the co-ops throughout the West.

I was successful in getting co-ops exempted from these unfair fees.

But this is only one threat to the West.

We have our job cut out for us.

We can't afford to sit idly by, and permit Easterners and those who don't have the best interest of the West in mind to ram through provisions that hurt Montana's and all of the West.

We have to fight to protect our interests.

Let me give you a couple of examples of programs being put forward in the name of budget reductions that are unfair to the West.

Grace Commission recommendation to sell federal power marketing agencies
There are those who recommend adopting the Grace Commission as a way to reduce the federal deficits. My opponent is one.

The Grace Commission report to identify waste and abuse in the federal government was an ambitious undertaking. Undoubtedly, there are many recommendations that should be implemented.

But to simply adopt the findings of the report would be devastating to the West, and in particular to areas dependent upon electricity from federal hydro-electric dams.

The Grace Commission recommends that the federal government get out of the business of marketing power altogether.

It recommends selling the Western Area Power Administration and the Bonneville Power Administration to the highest bidder.

In other words, it would force every rural electric cooperative, municipal utility and even consumers of investor owned utilities to pay whatever the market would bear.

This proposal would literally bankrupt Montana and the rural West.

I recently asked Jay Downen, Executive Director of the Montana Associated Utilities what
THIS POLICY WOULD MEAN TO MONTANANS.

HE STATED, "IT WOULD FORCE SMALL FAMILY FARMERS TO COMPETE FOR THEIR POWER WITH MAJOR POPULATION BLOCKS AND INDUSTRIES IN SOUTHERN CALIFORNIA AND ELSEWHERE."

I HAVE BEEN ADVISED—BY A NUMBER OF SOURCES THAT POWER RATES WOULD CONSERVATIVELY INCREASE 400% TO 500%.

DEVASTATING RURAL ECONOMIES IS NOT A RESPONSIBLE WAY TO ATTACK DEFICITS. THE LONG-TERM ADVERSE ECONOMIC IMPACTS WOULD BE DEVASTATING TO THE WEST AND NOT IN THE BEST INTERESTS OF THE COUNTRY.

I WILL CONTINUE TO WORK FOR RESPONSIBLE WAYS TO ATTACK DEFICITS.

BUT I WILL NOT ACCEPT AND WILL FIGHT POLICIES SUCH AS THIS WHICH ARE ANTI-RURAL, ANTI-WESTERN AND ANTI-MONTANA.

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING SELF-SUFFICIENCY ACT OF 1982 (S.1300)

BUT, AS WE FIGHT AGAINST MEASURES THAT WILL HURT THE WEST, THERE ARE ALSO CONSTRUCTIVE ACTIONS WE MUST TAKE TO HELP THE WEST.
Let me turn for a moment to a piece of legislation that I know is very important and dear to your hearts.

The Rural Electrification and Telephone revolving self-sufficiency Act of 1983 is responsible legislation looking beyond today to the future.

We must continue to look for long-term solutions to the fiscal problems facing us.

This legislation does that.

It is the bill to keep the lights on across rural America.

For two years, the administration has opposed this legislation on the grounds that we need to do away with "subsidies."

Now, I have stated previously, that I want to deal with federal deficits.

But it is just plain fool-hardy to deal with the deficits today and foreclose the future. It is not responsible government.

This legislation does not mandate any new spending program. It does not forgive any debts. It actually provides over $11 billion to the Treasury. What it does do is insure solvency in
THE FUTURE FOR THE REVOLVING FUND.

As a cosponsor of this important legislation, I will continue to work for its passage. Time is short, but we may still succeed in this Congress.

WATER RESOURCES DEVELOPMENT

For the first time in over ten years, Congress is seriously considering a water resources bill. We have even had a few successes in protecting western interests.

The legislation in the Senate, as originally introduced, required 100% upfront financing.

It abandoned the long-standing policy of selling power from federal hydro-electric generating facilities at cost.

It would have required selling power at whatever the market would bear.

Hydropower has long paid its fair share.

All of the capital investment allocated to power is recovered.

The cost recovery system is working.

At my insistence, the water resources bill was changed to reaffirm and strengthen
LONG-STANDING POLICY.

Preference in the marketing of power is given to public power and rural electric cooperatives to be sold at cost, as it should.

I'm proud of that success. It means that western interests have been preserved in water resource development.

LEADERSHIP

As Montana's Senator, I will continue to provide tough and effective leadership:

- That means fighting effectively for Montana and in turn western interests.
- That means taking risks and making tough decisions.

And it means avoiding partisanship and rigid ideology.

We need to set our priorities on our common problems;

And insist on common, shared solutions.
If we do that, we are going to look back at the 1980's as the time when America turned the corner.

When it began to pay less attention to individual special interests.

When it began to pay more attention to common shared problems and common, shared solutions.

And we're going to be very proud of what we've accomplished.

Conclusion

There's a growing mood in this country.

One of renewed patriotism.

You can feel it.

Our job as leaders is to make sure that spirit is channeled into constructive solutions to the challenges we face.

That is what I'm trying to do.

I hope you will join me as we work together.
TO LEAD MONTANA AND THIS NATION FORWARD.

THANK YOU.