9-26-1984

Montana Associated Utilities Convention

Max S. Baucus
Senator * or Department*: BAUCUS

Instructions:
Prepare one form for insertion at the beginning of each record series.
Prepare and insert additional forms at points that you want to index.
For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type*: Speeches & Remarks

MONTH/YEAR of Records*: September-1984
(Example: JANUARY-2003)

(1) Subject*: Energy
(select subject from controlled vocabulary, if your office has one)

(2) Subject* Montana Associated Utilities Convention

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* "required information"
STATEMENT OF SENATOR MAX BAUCUS
MONTANA ASSOCIATED UTILITIES
CONVENTION
BUTTE, MONTANA
September 26, 1984

Let me begin by saying it gives me a great deal of pleasure to be here tonight. Rural Electric Cooperative plays a critical role in insuring that every Montanan has access to affordable electricity.

I'm glad that I can be part of this endeavor.

I would especially like to thank Jay Downen, Jim Follensbee, and the many others here that keep me informed as Congress considers matters of concern to our rural electric cooperatives.

I wanted to talk to you briefly about where we stand as a nation.

I want to talk to you about what we need to do to move Montana and America forward.

I believe we are at a critical point.

We are being tested -- tested by serious challenges.

Our federal budget is growing at a rate of $21 million an hour.
During the ten minutes I speak to you the deficit will rise by $3.5 million!

During the next 24 hours, the increase in the federal budget deficit will be so great that it will cover the entire cost of elementary and secondary education in the state of Montana for one year!

Everyone wants lower deficits but no one is willing to pay the price.

So what can we do about it?

How do we break this deficit spending psychology?

The first step is simple:

- We must make this common problem our highest priority.

- And we must find a common solution to address it.

THE BUDGET FREEZE

That's precisely what a group of us in the Senate decided to do.

Four of us -- 2 Democrats and 2 Republicans -- joined to propose a one-year budget freeze on all federal spending. That's right -- all federal spending frozen for one year.
Our idea is that the only way to get a handle on the deficit is to ask everybody to participate in the solution.

Under our proposal that's precisely what would happen:

- The Pentagon is included
- Social programs are included
- Every American is included
- No exceptions
- No sacred cows
- No one off limits
- Every federal spending program included

It sets the right tone of an across-the-board, even-handed, approach.

I want to assure you that I will continue to fight for the bipartisan spending freeze, and I'm convinced that with hard work, we will enact it.

**GRACE COMMISSION RECOMMENDATION TO SELL FEDERAL POWER MARKETING AGENCIES**

We must be careful that actions we take to reduce federal deficits are responsible.
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 Montana, there are also constructive actions we must take to help Montana.

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.

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.

RIGHT-OF-WAY

I appreciate your recognizing 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 the 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 co-ops.

I was successful in getting co-ops exempted from these unfair fees.
But this is only one threat to public power in Montana.

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 Montana in mind to ram through provisions that hurt us.

We have to fight to protect our interests.

LEADERSHIP

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

o That means fighting effectively for Montana and in turn western interests.

o 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 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.