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Statement of

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before the

Subcommittee on Rural Development, Specialty Crops, and Foreign Agriculture

United States Congress

July 20, 2010

Chairman McIntyre and esteemed committee members, I would like to thank you for the opportunity to speak today about a subject that has been the focus of my professional life for the past forty years. I would also like to thank Congressman McIntyre and Congressman Kissel for their continued support of the USDA Rural Development programs as well as the 26 rural electric cooperatives in our state.

While preparing for this testimony, I came to realize that my life story has been one totally wrapped up in the field of rural development. I was born in Perquimans County, one of many low wealth areas of eastern North Carolina where the greatest export is the children who have to leave home to find good employment opportunities. While I did not know it at the time, the work I performed for my father's building company during summer school breaks was the construction of low income housing financed by the Farmers Home Administration, the predecessor agency to USDA Rural Development.

Upon graduation from NC State University in 1970, I was employed as an Assistant County Supervisor with Farmers Home Administration in Chatham and Randolph counties. In that role I provided technical and financial assistance to farmers, local governments, businesses, developers, builders, potential home owners, non-profits organizations and a host of others that achieved the mission of the agency. I left FmHA and returned home in 1976 to become an owner of a Chevrolet Dealership and a small general construction company. While it was great to return home and to contribute to the community, it became apparent to me that there was no future for small businesses due to the crisis in the farm economy and historically high interest rates.

In 1982, I returned to Farmers Home Administration and had the honor of serving as the Assistant to the State Director during five Administrations and four State Directors. In that role, I gained experience in the delivery of all USDA Rural Development programs as well as programs provided by other federal and state agencies.

With the support of our congressional delegation, North Carolina continues as a national leader in the delivery of services to our rural communities in all program areas. The USDA Rural Development programs and finance opportunities have

evolved over the years to meet the changing needs of rural communities and their residents.

On many occasions, I've used the analogy of a builder who has a large tool box of tools or programs with an annual supply of materials or funding that can be used to build a community. A successful USDA Rural Development employee is one who has knowledge of all agency programs plus those of other resource providers in his toolbox then uses that information to select the best tools/programs to meet the needs of the community.

In April, 2009 I retired from USDA Rural Development. I currently serve as the Vice President of Member Services and Community Development for the North Carolina Electric Member Corporation. My responsibilities include the management of community development programs offered by our statewide organization plus I serve as an interface with USDA Rural Development and other organizations that provide economic development programs to North Carolina.

The North Carolina Association of Electric Cooperatives has 26 member cooperatives that provide electric service to nearly a million members over 93 counties in our state. Each of those 26 cooperatives has an economic development program that offers a variety of services including funding and technical assistance in the economic development areas.

In April of this year, NCEMC hosted an Economic Development Resource Conference. USDA Rural Development State Director Randy Gore and his staff worked closely with the electric cooperatives and we have worked together to spread information about the benefits of these programs throughout the state. My goal is to provide information, education, and guidance to the cooperative staffs and their directors regarding the opportunities and resources available from the USDA Rural Development.

Looking forward to the 2012 Farm Bill and next year's appropriations, I see a continued need for financial and technical assistance in our rural communities. Most, if not all, of the programs that are offered by USDA Rural Development have originated to provide affordable capital to our rural communities. Low

wealth communities depend on the funding provided by USDA Rural Development to support essential community services such as water, sewer, and first response services. If Electric Cooperatives are to continue to provide affordable and dependable power to members, they require access to affordable financing for its generation, transmission and distribution systems. For this to happen, USDA Rural Development must continue to support our rural communities in the areas of housing, energy, businesses, utilities, and communications.

I will give my comments by Agency

Rural Housing Service:

The Direct Single Family Housing Program (502) this program has allowed thousands of low and very low income people to become home owners. But due to budget restraints, program funding has not met the demand. For a number of reasons, it appears that the need for housing is being met through the purchase of mobile homes and manufacture housing. While the housing units may meet the needs of the families, the location of the homes has created problems in many communities. Development for manufactured housing sites has not keep up with the demand. There is a great need for a program that would encourage developers to build subdivisions or mobile home parks with quality management and good living environments for low income residents.

The Guaranteed Single Family Housing Program (502) Due to the large expansion of this program and the elimination of the energy standards requirements, the financing of some older housing stock could result in higher energy bills for the borrowers. I would recommend increased review and oversight.

Single Family Housing Grants and Direct Housing Loan (504) This cost effective government program assist very low income home owners. It allows elderly homeowners to improve the health and safety conditions of their home in turn making them more suitable for elder living. This assistance allows the homeowners the option to reside in their homes longer instead of more expensive housing provided by care facilities.

Rural Rental Housing Loans (515) New construction funding has been limited for many years. In North Carolina there are 628 properties containing 22,662 rental units. Of those properties, 395 properties are over 20 years old and 246 properties are no longer bound by restrictive use provisions and could be sold off the program. There continues to be a need for these properties. I suggest that the demonstration program for Multi-Family preservation and revitalization be continued. This will assist in improving the properties and keeping them available for low income housing.

Guaranteed Rural Rental Housing, Housing Preservations Grants, Farm Labor Housing--I have no recommendations.

Community Facilities--North Carolina is the national leader for this program. In my opinion, this program has supported more critical needs for our rural communities than any other program with the exception of the electric service program. It has the flexibility to fund first responders, schools, medical, and other services that support the quality of life for our citizens.

Rural Business and Cooperative Service--

Guaranteed Business and Industry Loans--This is a very important rural jobs program. I suggest continued high levels of funding and reduced fees in high unemployment areas.

Intermediary Relending Program--This is the gift that keeps on giving. The funds are loans that are collected then relent to create more jobs. Jobs are a top priority for all; therefore, I suggest higher funding levels.

Rural Business Enterprise Grants and Rural Business Opportunity Grants--Both of these grants are good programs that could utilize additional funding.

Rural Economic Development Loans and Grants--These are loans and grants made to cooperatives for economic development projects. This is a good program and provides a great tool for the cooperatives. I am working with the North Carolina Electric Cooperatives to expand use of the program along with the NCEMC Development Loan programs.

Value-Added Agricultural Product Market Development Grants--Agriculture is a major industry in our rural areas, it is important that we find ways to expand the income potential. There needs to be increased marketing efforts for the program with emphasis to the limited resource farmers.

Renewable Energy Systems and Energy Efficiency Improvements Loans and Grants—A very good program that has assisted a number of farmers, however, it needs to be adequately funded with more non-farm business outreach.

Rural Utilities Service

Water and Waste Disposal Loans and Grants—This program is the main funding source for much of rural America. It allows communities to provide health improvements for its residents and provides support for fire departments. Very little economic development can be accomplished without the proper infrastructure providing adequate water and waste disposal service. To support health and job creation, I recommend increased levels of funding.

Rural Broadband Loans and Loan Guarantees— Traditional loan programs will not work in most of the underserved areas of rural America. The programs offered under the Stimulus funding which provide grants up to 75% will be effective. I would like to thank USDA Rural Development for the award to French Broad Electric Membership Corporation. Lumbee River Electric Membership Corporation has recently filed for funding as well.

Electric and Telecommunications Loans and Guarantees—The federal government created the partnership between electric cooperatives and REA to meet the power needs of underserved rural areas. That partnership has been very successful and must continue if electric cooperatives are to meet their goals of providing dependable service at an affordable price. It is important to maintain the guaranteed FFB generation loan program and its' funding since it is an essential tool used by Cooperatives in providing affordable service to rural America and North Carolina. Without access to the RUS program, electric generation cooperatives such as NCEMC will be forced to access more expensive sources of capital for its members' future power supply needs resulting in an

increased cost for its' members. Affordable electric power is a key consideration in the location of businesses and the creation of jobs. With the assistance of the RUS programs, electric cooperatives can continue to support our rural communities' economic development efforts by providing dependable and affordable power.

This concludes my presentation. Thank you again for the opportunity to address the committee.

Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Eddie Miller
 2. Business Address: 3400 Sumner Blvd, Raleigh, NC 27616
Raleigh, NC 27616

3. Business Phone Number: 919-875-3049

4. Organization you represent: North Carolina Association of Electric Cooperatives, Inc

5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:

Vice President of Member Services + Community Development for NCAEC. Plan, direct + manage the community development efforts of the statewide organization in support of the 26 member electric cooperatives

6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:

BS in Ag Economics and Master's of Public Adm - NC State Univ. 34 years experience with USDA-Rural Development - 26 of those years as Assistant to the State Director. The USDR-RD program in NC is one of largest and most successful in the nation.

7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:

Vice President of Member Services & Community Development

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2007.

Name: Eddie Miller
Address: 3400 Sumner Blvd, Raleigh, NC 27616
Telephone: 919-875-3049

Organization you represent (if any): North Carolina Association of Electric Cooperatives, Inc.

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2007, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: none Amount: _____

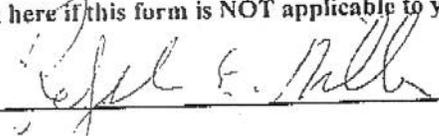
Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2007, as well as the source and the amount of each grant or contract:

Source: none Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: _____

Signature: 

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.