

# News from the House Agriculture Committee

U.S. House of Representatives  
Committee on Agriculture



Collin C. Peterson, Minnesota  
Chairman

<http://agriculture.house.gov>

**Opening Statement of  
Agriculture Committee Chairman Collin C. Peterson  
House Committee on Agriculture  
Business Meeting to Consider H.R. 4785  
July 14, 2010**

There has been a growing national concern about the availability and cost of energy. In response, Congress authorized programs to help urban areas decrease their energy use. But because most of these initiatives have not targeted rural areas, residents in our farm communities continue to pay among the highest prices for energy nationwide.

H.R. 4785, the Rural Energy Savings Program Act, is designed to build upon the efforts of these urban-focused programs and mirror their success in rural areas. This legislation will greatly benefit rural America by offering incentives that will reduce energy consumption and consequently energy costs.

The bill, which was introduced by Congressman James Clyburn and Congressman Ed Whitfield, authorizes the U.S. Department of Agriculture's Rural Utilities Service to make interest-free loans to eligible entities, like rural electric cooperatives, that will subsequently use the funds to make loans to rural consumers so these customers can reduce their energy use by implementing energy efficiency measures involving structural improvements and investments in cost-effective, commercial off-the-shelf technologies. Advocates of this legislation believe that by using existing RUS structure with the rural electric cooperatives as the delivery system, rural consumers can more quickly obtain the benefits of energy efficient investments and ultimately decrease their overall energy bills.

I would like to draw attention to the fact that this bill is an authorization for appropriations for this program. While CBO does not complete formal cost estimates for Committee markups, it has confirmed to staff that there is no direct spending in the bill and, if enacted into law, that no costs would be incurred without additional legislation funding the program from the Appropriations Committee.

The bill before us does not increase the federal deficit. The Appropriations Committee will determine how much money the program actually receives when they consider annual appropriations legislation. If the Appropriations Committee does provide funding for the program, they will still need to stay within their Congressionally mandated spending cap.

Since the Subcommittee hearing on May 12, a number of constructive changes have been made to H.R. 4785 to address concerns that were raised about the legislation, and those changes will be included in the amendment in the nature of a substitute I will offer. The jump-start grants have been eliminated entirely, making this just a loan program, and other changes have modified and secured the structure of the loan program to ensure government repayment. Let me repeat that; any money the appropriators dedicate to this program will be expected to be repaid.

In terms of concrete results, the rural electric cooperatives estimate that Rural Energy Savings Program Act will create nearly 26,000 jobs and will make loans available to between 1.1 and 1.6 million rural households, depending on the average consumer loan size. It is clear that this is a win-win proposition for the constituents we represent on the Agriculture Committee. We have an opportunity before us to enact policy that will significantly reduce energy costs and consumption as well as improve the quality of life in our rural communities. This is good legislation for rural America, and I urge Members of the Committee to support the bill with the changes we will propose.

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