

# THE WIRE

A Quarterly Publication for CoBank Electric Customers

May 2018 • Volume 2 Issue 2



## NRECA and CoBank Discuss Rural Infrastructure with RFD-TV



**TOM HALVERSON**  
President and CEO,  
CoBank



**JIM MATHESON**  
CEO, NRECA

During the 2018 NRECA annual meeting, in Nashville, Tennessee, Jim Matheson, NRECA CEO, and Tom Halverson, CoBank president and CEO, had an opportunity to visit RFD-TV, a leading provider of multimedia content dedicated to the rural lifestyle that reaches more than 100 million homes worldwide.

Jim and Tom discussed several important policy-related issues regarding the health of rural America ranging from broadband to the Farm Bill. Following is a synopsis of the interviews; the full interviews can be found on the rural RFD-TV web site.

*continued on page 6*



## Lessons from Gettysburg

*An innovative, on-site seminar created by FCC Services and held in partnership with NRECA, helps co-op leaders learn by walking the fields and studying events from one of America's most important battles.*

Few places in American history are as closely tied to a single event as Gettysburg, the small town in Pennsylvania that witnessed the largest battle of the Civil War.

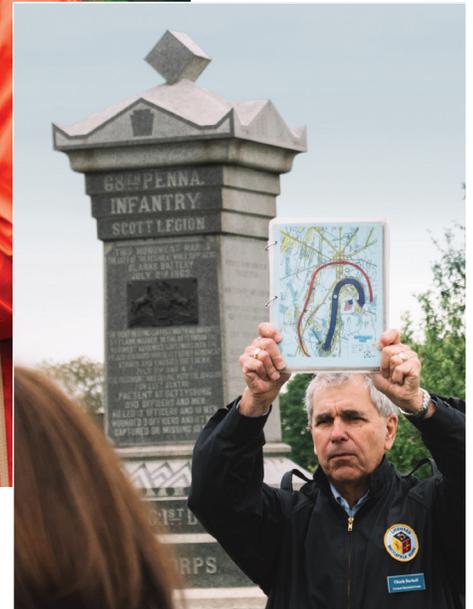
Over the course of three days (July 1-3) in 1863, more than 165,000 Union and Confederate soldiers clashed over thousands of acres of rolling Pennsylvania hills and fields. The Union victory turned the tide of the war, but at a terrible cost of more than 51,000 casualties.

Not surprisingly, branches of the United States military often send leaders and students to Gettysburg to learn military tactics and leadership. Yet Gettysburg also holds clues for leaders of businesses such as electric cooperatives, which constantly face key decisions in an ever-changing market, says Pat Mangan, director of governance education for the National Rural Electric Cooperative Association (NRECA). Many of the leadership traits and decisions of battlefield officers in 1863 "relate to the conditions co-ops face in the day-to-day business environment," Mangan says.

*continued on page 2*



Co-op leaders visit the battlefields of Gettysburg



#### LESSONS, from page 1

That's the idea behind the Gettysburg Leadership Experience for Co-op Leaders.

The two-and-a-half day workshop, sponsored by CoBank and intended for senior leaders and board members of electric cooperatives, is held three times a year, in April, September and October.

“By providing concrete examples of things that went right during the battle and things that went wrong, the program helps participants better understand the practical lessons of management and leadership,” says Jay Morrison, vice president, regulatory issues, for NRECA.

The program includes classroom discussions and videos to set the proper historical context. But much of the true learning takes place during visits to the roughly 6,000 acres of battlefields comprising Gettysburg National Military Park, where participants can more directly imagine and even *feel* the movements of troops from more than 150 years ago.

“The key is being able to go out, walk the fields and put yourself back then in the 1800s,” says Al Simpson, CEO of the Arkansas Valley Electric Cooperative. “When you’re standing on the battleground, it overwhelms you.”

Simpson attended the Leadership Conference in the spring of 2015 as a district manager for the Arkansas Valley Electric Cooperative, based in Ozark, Arkansas. Now the organization’s CEO, Simpson credits the lessons he learned at the conference with helping prepare him for the daily demands of running a twenty-first century cooperative.

#### From Little Round Top

One of Simpson’s most memorable moments came when his group stood on Little Round Top, the hill that Union soldiers under the command of Colonel Joshua Chamberlain helped defend against a furious Confederate onslaught. Chamberlain, a college professor from Maine whose coolness under fire inspired

his troops, has been cited as one of the Civil War’s least likely heroes.<sup>1</sup>

Simpson’s experience underscored that “leadership is earned, not appointed,” he says – an idea with direct applications to a modern organization. Regardless of the title an executive carries, he adds, “The people following are the ones who will decide if that person is going to be their leader.”

The view from Little Round Top also helped Simpson understand the importance of gaining high ground. For an army, that means holding a hill. For the leader of a cooperative, it means periodically stepping back from the mountain of daily tasks and details to assess big-picture questions about the direction of a co-op or the industry.

“You want to be able to look around and understand what’s going on, and see problems that could be arising,” Simpson says. “If you position yourself correctly, you’re better able to address them.”

<sup>1</sup><http://npg.si.edu/blog/birthday-joshua-lawrence-chamberlain-hero-little-round-top>

The “high ground,” in the view of NRECA's Morrison, also can be the place you fall back to, and that you must defend no matter what. “For cooperatives, that’s our relationship with our members,” Morrison says. “That’s what we always need to protect.”

### Forms of leadership

Those ideas echo a key concept covered in the workshop curriculum, **anticipatory leadership**. The most successful officers at Gettysburg entered the battle prepared, having studied the weather and battlefield conditions, and having considered the lessons of past battles, Pat Mangan says. “The same is true of electric cooperatives,” he adds. “Boards have to have a 5- or a 10-year vision of what’s coming. We have to look at what members want and expect of their co-op. We have to look at the regulatory environment, the legal environment, all those different things.”



LIBRARY OF CONGRESS

“Battle of Gettysburg” by There de Thulstrup, 1887

### Other lessons include:

- **Clarity of communication.** Walling oneself off from the frank opinions of subordinates leads to overconfidence and possible defeat, whether in a military or business setting, Simpson says. And when giving directions to subordinates, he adds, it’s essential to spell out clearly what the objective is – whether holding a fortification or launching a new business initiative.
- **Transactional and transformational leadership.** When a leader barks, “Because I said so!” – that’s



Participants tour roughly 6,000 acres of battlefield sites comprising Gettysburg National Military Park

transactional leadership, Mangan notes. It may solve a temporary problem but will hardly inspire the type of loyalty any leader needs. Transformational leadership, by contrast, “can help employees understand the grand vision, and let them feel like they are a part of making it happen,” he says.

- **Predictable surprises and negotiating difficult conversations.** Most people would prefer to avoid tense conversations or reprimanding subordinates who have allowed avoidable errors to occur. Such conversations “are not pleasant, not fun, and they are going to be difficult,” Mangan says. “It’s going to cause a lot of tension. But as a leader, you’ve got to address the problem – you can’t sweep it under the rug.”

From the experience, Morrison recalls another vital aspect of leadership is to build a relationship with your “troops” so that when things get hot and heavy they will have the confidence to follow your lead. He describes a time when Chamberlain’s men had run out of ammunition and he led them in a bayonet charge down the hill with empty rifles. “We all have situations in which things aren’t what we expected, or aren’t what we’re used to,” he says. “Chamberlain had built the relationship

with his troops in advance and they trusted his directions. They followed his lead and drove off the Confederates.”

Says Simpson, “I would encourage any leader of an organization to attend this course. This experience will help leaders understand the highest level of leadership.” It will also help them realize the importance of the decisions they make every day, says Morrison. “Standing on that ground where the results were achieved in blood and lead is really very inspiring.” ■

*The Gettysburg Leadership Experience for Co-op Leaders includes three workshops per year. For information on schedules, availability and pricing visit [cooperative.com](http://cooperative.com) or email Pat Mangan at [patrick.mangan@coop.com](mailto:patrick.mangan@coop.com).*

### Sources:

#### Pat Mangan

Patrick.Mangan@nreca.coop  
703 254-9106

#### Al Simpson

asimpson@avecc.com  
479-667-9983

#### Jay Morrison

Jay.Morrison@nreca.coop  
703-907-5825



CASE STUDY:

## Gettysburg Leadership Experience

*Q&A with Paula Farquhar, Assistant General Manager, HILCO Electric Cooperative, Itasca, Texas*

It's called the Gettysburg Leadership Experience for Co-op Leaders – and for the managers and board members from electric cooperatives around the country who attend one of the three annual sessions, an experience is exactly what it is. Standing where key figures of the Civil War battle mustered their troops, thinking and talking about the dilemmas they faced and the decisions they made, the co-op leaders can imagine lessons of leadership playing out before them. We asked Paula Farquhar, assistant general manager of HILCO Electric Cooperative in Itasca, Texas, who visited Gettysburg in April, to describe her experience.

**THE WIRE: What did you hope to get out of the Gettysburg Leadership Experience?**

**Paula Farquhar:** I've been to numerous leadership training programs, and you often get much of the same kind of information. What interested me about this opportunity was the concept of combining classroom instruction and discussions with the experience of actually going out on the Gettysburg battlefield.

**THE WIRE: How did your experience compare with your expectations?**

**PF:** Being on the battlefield was awe-inspiring. I've always been interested in history, and of course I knew some things about the Civil War and the Battle of Gettysburg. But to be out there – to have our guides explain to us what actually occurred in various locations, and to think about the life-changing, split-second decisions that the leaders on both sides had to make and the courage they displayed at crucial moments – that made a great impression on me.

**THE WIRE: What moments of leadership on the battlefield resonated with you?**

**PF:** One great hero was Colonel Joshua Chamberlain of the 20th Maine. I felt like he was very courageous forgoing where he was asked to be – at the end of the line to protect the North's flank – even though he knew he faced almost

insurmountable odds. He realized he was the person who had to hold that line, and he displayed his leadership by showing courage and a vision to his subordinates.

**THE WIRE:** On the Gettysburg battlefield, leaders had to make momentous decisions quickly, working with the information they had, which wasn't always complete. How does that apply to what you and other co-op leaders do on a daily basis?

**PF:** We usually aren't facing life-or-death decisions. But what we do is similar to what happens on the battlefield in that we also have to think about all possible scenarios and outcomes, and we have to be ready to make quick decisions when things change. We have to be flexible, and prepared to adapt. And like leaders on the battlefield, we have to show

confidence in our decisions and try to make sure the people who carry out the plans can be successful.

**THE WIRE:** Would you recommend the Gettysburg Experience to other co-op leaders?

**PF:** Absolutely – this was the most unique training experience I've ever had. A supervisor who attended with me said that, to her, the value was in realizing there were so many things she wasn't approaching in the best way. The training opened her eyes and made her see there are better ways to get the maximum potential out of everyone. As the heroes of Gettysburg showed us, your success or failure as a leader ultimately depends on your most valuable resource – your soldiers or your employees. And the biggest impact on employees is who their leaders are and what they do. ■



*“As the heroes of Gettysburg showed us, your success or failure as a leader ultimately depends on your most valuable resource – your soldiers or your employees.”*

**- PAULA FARQUHAR**



Co-op leaders reflect on the difficult life-or-death decisions that Gettysburg leaders faced



CoBank President and CEO, Tom Halverson, and NRECA CEO, Jim Matheson, discuss rural infrastructure with RFD-TV host John Jenkinson

INTERVIEW, from page 1

## Trump Infrastructure Plan and Budget

**FROM THE INTERVIEW:** Both Tom and Jim were pleased to see that the proposed infrastructure plan focused on rural America. Infrastructure investment in rural America must mean more than roads and bridges and should include expanded access to smart grid technology and rural broadband. Expanded e-connectivity is a key ingredient to a healthy twenty-first century economy in rural America, and the expansion of these technologies could help unleash economic growth and jumpstart rural communities. Electric cooperatives are uniquely connected to their local communities and can provide policymakers with key insights into the infrastructure needs of their communities.

**UPDATE:** The conversation surrounding rural infrastructure investment has brought a renewed focus on rural America and is beginning to attract new investments from various avenues. Since the interview with RFD-TV, Congress directed \$600 million to USDA for use in a new rural broadband pilot program.

## Rural Broadband

**FROM THE INTERVIEW:** High costs to serve areas with low population density remain the biggest obstacle to expanded rural broadband access. High-speed internet access is essential to a healthy twenty-first century rural economy. Broadband access plays a vital role in health care, education and access to global markets.

For more than 75 years, America's electric cooperatives have powered local

economies across 56 percent of the nation. Now, nearly 100 electric co-ops are reinvesting in rural America by bringing high-speed internet access to rural homes, businesses, schools and farms. This connectivity serves two key purposes: bridging the digital divide and enhancing the co-op business operation network.

There is not a one-size-fits all solution, and, ultimately, access to capital and reduced regulatory burdens are paramount to successfully closing the digital divide.

**UPDATE:** There is wide consensus from Congress and the administration that deploying broadband to rural America is important for economic development, but there is not consensus on how to pay for broadband in high-cost rural areas. The Trump administration and Congress have taken significant steps to jumpstart programs that bolster the rural economy. That's helping turn the tide in many communities. But reversing this trend requires a sustained focus across the executive branch and Capitol Hill.

The recently passed omnibus budget bill is providing key resources and tools to foster development of energy, telecommunications and other essential services in rural America, including \$600 million for high-speed internet access in underserved regions.

## Farm Bill

At the time of the interview, no versions of the Farm Bill for 2018 had been introduced.

**FROM THE INTERVIEW:** The Farm Bill is an opportunity for Congress to work together to address the needs of rural America. The rural economy needs robust investment and this Farm Bill can provide an opportunity for a mix of government grants or loans and private loans to meet capital costs.

Net farm income is at its lowest point since 2006. Commodity prices have been trading steady at very low prices. CoBank and electric cooperatives have a vested interest in the Farm Bill as their customers and member's businesses and livelihood are directly affected by the authorized programs. In the case of the Farm Bill, crop insurance is vital to producers across the country, acting as a safety net for their everyday work. These programs are one of the only risk management tools to protect producers from so many uncertainties. Rural infrastructure investment is necessary to ensure that rural communities can thrive in these trying economic times, and are able to provide the resources and needs that every American deserves.

Historically, the Farm Bill has passed with bipartisan support; cooperation on both sides of the aisle will be needed in 2018 to protect these vital programs.

**UPDATE:** The Farm Bill is currently being negotiated and may ultimately include additional authority for rural broadband loans and grants to be administered by the Rural Utilities Service. For rural residents, farmers and businesses that need broadband capacity to support the current and future demands of commerce, health care, education, energy and public safety, the cost of supporting a stable communications backbone to enable the use of wireless, voice and data application should be shared by all those who benefit from America's rural economy. Americans have prospered from the principle that universally available and affordable telephone service benefits rural, urban and suburban residents. The cost of not supporting universal service for broadband will far exceed the cost of providing it. ■



# CoBank and NRECA – A Partnership to Strengthen America’s Electric Cooperatives

CoBank is proud to partner with NRECA to power communities and empower members to improve their quality of life. As a key conference and meeting sponsor, we commit significant resources to support NRECA’s educational offerings that equip cooperative members with the knowledge, skills, tools and resources needed to succeed in today’s rapidly changing and complex electric utility industry.

**CoBank is committed to our partnership with NRECA and we look forward to many more years of cooperation.**



## CONFERENCES AND MEETINGS

- NRECA CEO Close Up
- NET Conference
- NRECA Annual Meeting
- NRECA International Program
- TechAdvantage
- NRECA Directors Conference
- Gettysburg Leadership Experience
- Legislative Conference
- CONNECT Conference
- NRECA Legal Seminars
- NRECA Tax, Finance and Accounting Conference
- NRECA Regional Meetings
- PowerUp Conference
- NRECA Youth Tours

## ADVERTISING

- RE Magazine Ads and Advertorials

# CoBank 2018 Webinar Series

SAVE THE DATE

Beyond dependable credit and financial services, CoBank seeks to help our customer-owners by providing thought leadership, high-quality information and timely insights on a number of energy-related topics that may impact you and your organization. Our slate of webinars for 2018 includes:

Tuesday, May 15.....**Cooperative Legal Update: Broadband, ROW, Capital Credits**

- Ty Thompson, Deputy General Counsel, NRECA

Tuesday, July 17.....**Evaluating Debt Structures**

- Bill Conway, Managing Director, CC Capital Advisors

Friday, September 28 .....**Interest Rate Update**

- Robert Eisenbeis, Chief Monetary Economist, Cumberland Advisors

Tuesday, November 13.....**Battery Storage**

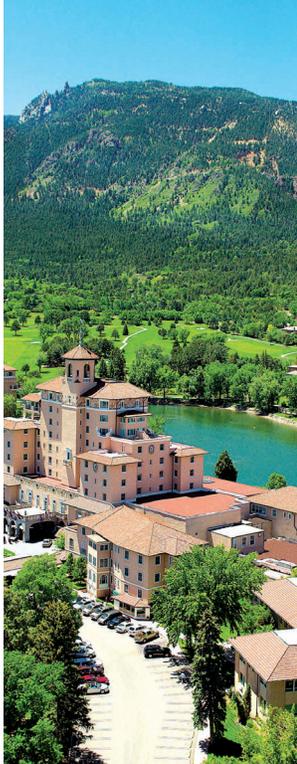
- Taylor Gunn, CoBank Lead Energy Analyst

All webinars will be held at 11:00 AM Eastern time.

*For more information or to register, please contact your CoBank Relationship Manager*

## CoBank's 2018 Industry Conferences

REGISTER NOW!



Packed with insightful speakers and compelling content, CoBank's industry meetings are designed to give America's rural energy cooperatives the insight and knowledge they need to meet today's challenges.

**Mark your calendars!** The following 2018 conferences will all be held at the **Broadmoor Resort in Colorado Springs** – one of the nation's most historic destination resorts in a stunning Colorado mountain setting.

### ■ New Director Orientation

JULY 10, 2018

### ■ Energy Directors Conference

JULY 10-12, 2018

### ■ Battery Energy Storage and Microgrid Applications Workshop

AUGUST 8, 2018

### ■ Energy and Water Executive Forum

AUGUST 8-10, 2018

*For more information, visit [www.cobank.com/meetings](http://www.cobank.com/meetings)*



800-542-8072

[www.cobank.com](http://www.cobank.com)



A Touchstone Energy® Cooperative 