

Sussex REC 73rd Annual Meeting
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Good evening and thank you for your active participation in Sussex REC. Your attendance tonight is testament that the cooperative spirit is alive and well here in northern New Jersey.

The United Nations has declared 2012 the International Year of Cooperatives. That's exciting news for all of us who believe in cooperatives. It's a chance to celebrate the great successes that cooperative members have had over many years, and Sussex REC is of course one of those great successes.

The International Year of Cooperatives' celebration comes almost one hundred years after the creation of the first electric cooperative in the United States. Yes, indeed, the historic record indicates that the first electric cooperative in the U.S. was founded in 1914 at Granite Falls, Minnesota. That may seem odd, given that the founding year of Sussex REC is 1937, and that we all think of 1935 as the beginning of electric cooperatives in the U.S. with the Executive Order signed by President Franklin Roosevelt.

It was actually FDR's cousin, President Theodore Roosevelt, who first spoke of the cooperative idea back in 1909. Teddy Roosevelt had appointed a presidential Commission on Country Life to study innovative ways to improve the quality of life in rural America. He named Gifford Pinchot, who would later be elected Governor of Pennsylvania, as the Commission Chair. Pinchot's report was transmitted by Roosevelt to the U.S. Congress. In his transmittal letter, Roosevelt said this about the best way to bring economic growth to rural America, namely through the creation of cooperatives: "The cooperative plan is the best plan of organization wherever people have the right spirit to carry it out...It develops individual responsibility and has a moral as well as financial value over any other plan."

Twenty-six years later, when investor-owned utilities would not support the government's efforts to bring electricity to rural America, the Rural Electrification Administration embraced the cooperative idea, bringing farmers and ranchers together to create locally-owned private electric cooperatives to get the job done. Each individual household gave \$5 in equity to start the process that many now consider to be the greatest engineering feat of the twentieth century in the United States.

Much earlier in our history, another famous individual started the first cooperative of any kind in the United States. In 1752 Benjamin Franklin founded The Philadelphia Contributorship for the Insurance of Houses from Loss by Fire which is still in existence

today. It was the nation's first cooperative and the nation's first insurance company. The cooperative values, codified in 1995 in Manchester, England by the International Cooperative Alliance, were practiced then as they are today – self-help, self-responsibility, democracy, equity, equality and solidarity. Along with today's Touchstone Energy Cooperative values of integrity, accountability, innovation and commitment to community, there is a great sense of continuity of values and purpose from Benjamin Franklin in 1752 to Sussex REC in 2010. We are about people taking responsibility for their own needs and interests.

Today in the United States there are over 29,000 cooperatives, including 1,000 electric cooperatives employing 856,000 people and contributing \$3 trillion annually to the U.S. economy. That is truly significant. ACE Hardware is a cooperative, as is Ocean Spray, Nationwide Insurance, Associated Press wire service, Sunkist and Organic Valley. The newest electric cooperative is in the state of Hawaii, created by the citizens of the island of Kauai within the past decade by acquiring the assets of Citizens Communications of Stamford, Connecticut. It is now a member-owned, locally controlled institution following in the tradition of Sussex REC.

Can cooperatives contribute to a brighter economic future for the U.S. and the world as we strive to climb out of the global recession and the failure of so many institutions? Strong support for an affirmative answer comes from the fact that this country's largest credit union, Navy Federal Credit Union, added 85,000 new members in the first quarter of 2009. This should tell us how strong the support is for the growth of locally controlled institutions.

The emergency response to the Haitian earthquake has also been a proud moment for U.S. cooperatives. The electric cooperatives of the U.S. were the first responders to restore electric service. Our own employees, supported by contributions to the NRECA International Foundation, restored service to the main hospital in Port-au-Prince as well as to the emergency clinics. As a result, the U.S. electric cooperatives have been asked to take the lead in electric reconstruction throughout Haiti. The World Council of Credit Unions, working with U.S. and Canadian credit unions, is restoring Haiti's financial system so that basic monetary transactions can once again take place safely and securely. These examples have led to the idea of Cooperatives for a Sustainable Haiti, a long-term commitment to once and for all bringing real ownership of assets to the people of such a poverty-stricken nation.

As has been proven worldwide time and again, including the great success of cooperative rural electrification in the United States, giving ownership of assets to local people keeps wealth in the community, builds the local economy and creates the basis for widespread prosperity. Cooperatives are resilient. Cooperatives keep Main Street alive and well. Cooperatives are the competitive yardstick in all economic sectors. This is the message that together we will bring to the world in 2012 as we celebrate the International Year of Cooperatives.

Thank you for your belief in and support of Sussex REC and cooperatives worldwide.