

I am a resident of Sparta, in Alleghany County, North Carolina. I am counsel and spokesman for Ashe and Alleghany Counties of North Carolina in New River matters. The governing executives (County Commissioners) of both counties are unanimous in their support of this Bill. So are the overwhelming majority of the people who live in the two counties. We cannot urge strongly enough the enactment of this Bill, which is a bipartisan effort to save a national treasure. Of the eight Commissioners I speak for, six are Democrats and two are Republicans.

We know that a few of our citizens oppose this Bill. These persons are a small, if vocal, minority. We regret that we cannot accommodate the views of all our citizens, but we do not find the minority view to be in the public interest - indeed, if we may be so presumptive, no bill to come before this Congress could be more in the public interest, or the opposition more diametrically opposed to the public interest.

The Report of the Committee on Interior and Insular Affairs of the 93rd. Congress contains the best discussion of the Scenic River vs. Blue Ridge Project I have seen. H.R. 11120 and S. 2439 of the 93rd. Congress were only study bills, however. Last month, thanks to the action of Secretary of Interior Thomas Kleppe, the New as a scenic river became an established fact. With the enactment of this legislation, a national treasure will have been saved for coming generations.

The reasons for the tremendous local opposition to the Blue Ridge Project and support of this Bill can be summarized as follows:

1. We do not want to give up 94 miles of river and 165 miles of tributaries, 50,135+ fertile and productive acres, the homes of over 3,000 persons, and 600 farming and farm-related careers producing gross agricultural sales in excess of \$13.5 million per year.

2. We abhor the prospect of losing 3,000 of our most responsible and productive citizens, many of whom cannot be relocated within our borders.

3. One of the finest fishing and canoeing rivers in the Eastern United States would not be destroyed, but would be preserved and provided for public use, in a region where there are too few swift, free-flowing rivers.

4. The environment would be preserved and enhanced by maintaining an unpolluted, free-flowing river in its natural state. (Thanks to the 200 years of good stewardship by landowners, the river and adjoining lands have been preserved in authentic, natural condition.)

5. The present farming along the river would be preserved, and the people would have the opportunity to maintain a way of life which has existed for over 200 years.

The Blue Ridge Project is not needed for power or for recreation. In an interview, AEP Chief Executive Donald Cook admitted to Forbes Magazine that ". . . we (have) clearly overestimated the demand . . . We are grinding down our

construction program"; and he boasted that "While there is going to be a power shortage in the United States, there will not be a power shortage in the AEP system". AEP sells as much as 15% of its power to other companies.

The whole concept of a two-dam pumped storage plant as a means of meeting peak demand is obsolete. The project would be a net consumer of power - the rule of thumb is that it takes 3 units of power to pump the water back for every 2 units generated. The River's natural streamflow improves this ratio slightly. The FPC itself has estimated that the project's annual power output would have declined by more than 50% by the end of the first 20 years of the 50-year license period. One of the reasons for the planned decline in annual power output over the 50-year license period is siltation. Quite a nice heritage for the next generation: a 42,100-acre swamp.

Moreover, the Environmental Protection Agency, commenting on the FPC's Final Environmental Impact Statement for the project, takes strong exception to the FPC's claim that the AEP system would burn less coal with Blue Ridge than with the alternative of a coal-fired plant. In a November 30, 1973 letter to John Nassikas, Chairman of the FPC, John R. Quarles, Jr., then Deputy Administrator of EPA, wrote that "The Project will allow maintenance of or increase in the utilization of existing coal-fired plants, which will continue to have significant emissions even if State air implementation plans are met. An alternative of installing new generating capacity which must meet more stringent new source performance standards and utilizing an older

plant for peaking capacity might well result in less air pollution and overall fuel consumption than the mode of power generation which encompasses the proposed pumped storage facility."

AEP lags behind other utilities in meeting EPA air quality standards. We view the project as a spinoff of AEP's determination to keep obsolete, polluting coal-fired plants in operation. These older plants contribute substantially to widely dispersed sulphur dioxides which are of increasing concern in their role of causing acid rainfalls, according to EPA. Figures from the Congressional Record show that AEP's budget for research and development is the lowest of any electric utility, substantially lower than its advertising budget.

The claim that the Blue Ridge Project would be a boon to recreation is utter nonsense. The New River, like it is, is a better recreation asset than another flatwater lake in a region already crowded with them. There are 16 such lakes within 100 miles of the Independence - Sparta - Jefferson triangle. These 16 other lakes have a tremendous competitive advantage over the Blue Ridge Project.

We are perfectly terrified of the prospect of having an irresponsible corporation like American Electric Power Company and its subsidiary Appalachian Power Company in our midst, interfering with our political processes and seeking favors and unfair advantages from officials, as they have done in Virginia, here in Washington, and elsewhere. They boast of all the ad valorem taxes they say they will pay Grayson County. How can we give any credibility to that, when we know that this giant

corporation, with all its political clout, has managed to avoid paying any federal income tax at all on a profit margin of 19%?

We have given our enthusiastic cooperation to the Secretary of Interior and the Secretary of Natural and Economic Resources of North Carolina in establishing the New as a National Scenic River. Our people, if they could have their "druthers", would prefer to be left alone, but are delighted to have the scenic river as an alternative to the Blue Ridge Project. So would the vast majority of the citizens of Grayson County, Virginia, who have been betrayed by their congressman, their governor and their attorney general. The Blue Ridge Project is not any more in the interest of Virginians than it is North Carolinians, and these men know it. The people of Grayson County told as much to their Congressman, Mr. Bill Wampler, at the polls in 1974. Wampler, who defeated his Democratic opponent, Christian, 2 to 1 in 1972, lost heavily Republican Grayson County to Democrat Charlie Horne, 2,628 to 2,177, in 1974. The attached Resolution unanimously adopted by the governing executives (Supervisors) of Grayson County speaks truly for the people of Grayson County.

Shed no tears for AEP's finances - most of its land acquisition was done in the 1960's, at less than \$100 per acre, but today the same land is worth at least five times and in some cases up to ten times AEP's investment. I am personally familiar with land auction sales this spring in Alleghany County where ordinary farms sold for as much as \$2,000 per acre.

The author of the FPC License and Environmental Impact Statement for the Blue Ridge Project must have been familiar with Darrell Huff's book How to Lie With Statistics. In fact, Mr. Huff

could probably learn a few lessons from FPC Administrative Judge Levy, whom former Senator Sam Ervin once described on the floor of the Senate as a "federal justice of the peace". For example, Levy found that the Blue Ridge Project will save AEP 6 million tons of coal. This may or may not be so. The whole truth, however, is that the savings would be spread over the entire 50-year license period, and AEP consumes over 500 million tons of coal per year. 6 million tons over 50 years is only 120,000 tons, or 2,400,000 pounds, per year. According to the Peter Pan Company, the population of this nation consumes over 5,000,000 pounds of peanut butter per year.

The FPC's Environmental Impact Statement claims that by the fiftieth year of the Blue Ridge Project, it will attract 13,234,000 visitors per year, and assigns an arbitrary value of \$1.38 to each visitor-day as a device to exaggerate the recreational value of the project. That means that the project would have to attract 69,000 visitors per day during the recreation season of June 1 to Labor Day. The \$1.38 figure was arrived at on a scale of 50¢ to \$1.50; the prime reason for the high valuation was "aesthetics".

At this moment, the State of North Carolina is evaluating the vast archaeological treasures to be found along the New River, a job federal law requires AEP to do. AEP suppressed the half-hearted archaeological studies actually done by it with the complicity of the FPC. Exposure came last year, thanks to an energetic press. This was the third incident of a similar nature.

These are just some of the reasons why we have previously observed that the Federal Power Commission is a laughingstock.

The hysterical advertising campaign mounted against us by AEP - at enormous expense- calling the National Committee for the New River a group of "privileged elitists" further demonstrates the lack of reason and judgment inherent in the opposition to this legislation. We in the New River Valley cried out for help, and got it - from thousands of citizens, not only in North Carolina and Virginia, but throughout the nation. Over 200 newspapers have editorialized in favor of this legislation and against the Blue Ridge Project. Every elected official in North Carolina, including our own County Commissioners, a unanimous General Assembly, the Attorney General, the Lieutenant Governor, the Governor, our entire House delegation, and both Senators, have come to our aid.

We have been perplexed and deeply offended to learn that the National AFL-CIO apparently intends to oppose this Bill, in spite of the fact that the North Carolina AFL-CIO passed a resolution opposing the Blue Ridge Project at its last convention. We are about to lose over 600 permanent agricultural careers to be offset by a few hundred temporary construction jobs. There is no advantage in this project to labor in our area, since the construction contract will go to Sollitt Construction Company of South Bend Indiana, without competitive bids. Sollitt is incorporated in the State of Pennsylvania for the obvious purpose of concealing the names of its officers. It would be interesting to know how many of them are also connected with AEP.

AEP is already using the Blue Ridge Project for illegal suppression of competition. In a Petition filed with the FPC on April 26, 1976, Richmond Power and Light Company of the city of Richmond, Indiana, accused AEP of unilaterally and drastically altering the license. "After using its wholesale customers' requirements to support its need for the power produced by the Blue Ridge Project and expressing its willingness to serve such customers, AEP subsequently serve(d) notice upon these customers that their contracts are being terminated, and in some instances, service is to be on a day-to-day basis." (Page 4) "Specifically, RP & L is concerned not only that it will be precluded from service from AEP that it may require to provide efficient, reliable service to its own customers in Richmond, but that AEP's use of the Blue Ridge Project will support other objectives of AEP that are not in the public interest, such as acquisition of municipal and other similar systems that are linked and have dealings with the AEP system." (Page 5)

Citing a long history of similar conduct by AEP, RP & L points out that AEP spent considerable money and effort to defeat a bond referendum proposed by the fathers of the city of Danville, Virginia. The bonds would have been issued to finance a municipal power plant.

Exhorting Congress in the midst of the bitterest days this nation has seen, Lincoln said in his 1864 State of the Union speech, "No personal significance or insignificance can spare one or another of us. The fiery trial through which we pass will let us down in honor or dishonor, to the latest generation." If we

allow this Bill to die, and with it the New River, succeeding generations will despise us all, regardless of what any of us may have said or done today.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "E. I. Adams", written in a cursive style.

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FACTS ABOUT THE BLUE RIDGE PROJECT

1. Jobs: The \$125 million temporary construction payroll spread over a six-year period would go mainly to outside employees of Sollitt Construction Company of Indiana who would send most of the money out of the area. Menial, low-paying jobs may be available to local men. By contrast, a very conservative estimate of permanent farming careers to be ruined is 600. Gross agricultural sales from farms to be lost are at least \$13.5 million per year, or \$78 million over a six-year period. The loss of all that farm income would be permanent.

2. Annual Recreation Benefits: Such claims as \$6.1 million have absolutely no basis in economic reality. They are estimates made by placing an arbitrary dollar value on one visitor-day and multiplying that by inflated Appalachian "estimates" of the number of visitor-days. A competent research study by the University of Tennessee on Norris Lake, the oldest TVA lake, (built in 1936), which is not a pumped storage project, showed that economic benefits associated with recreation in the areas adjacent to Norris Lake was relatively unimportant to the economy of the area, accounting for only 6% of the local income from jobs.

3. Tourism: Tourists would not come to the project because of unsightly mudflats. The shoreline of the upper pool would drop 17.5 feet from Monday to Friday of the average summer week. According to Appalachian, one foot of drawdown would move the shoreline an average of five feet, and the average weekly drawdown in summer would be 2.5 feet Monday thru Friday, plus an additional foot of fluctuation per weekday. The 3.5 foot low of Friday night would be pumped back from the lower reservoir over the weekend. There would be no fish procreation in the lake because the daily fluctuations would kill fish eggs laid in shallow water.

4. Roads: The impoundments would create a tremendous barrier stretching from Galax, Virginia to Lansing, North Carolina, and about 300 miles of roads built at the expense of the taxpayers would be destroyed and replaced with 31.4 miles of new roads in North Carolina and 74.6 miles in Virginia. The claim that an "improved" road system would result is incredulous.

5. Tax Revenues: The Commissioner of Revenue and other officials of Bedford County, Virginia, have said that all tax paid to Bedford County by Appalachian was spent, plus more, on providing county services to the Smith Mountain area, mostly for law enforcement and other protection and services. Thus, Smith Mountain is a financial drain to the people of Bedford County.

6. Land Speculation: As a result of vandalism, burglary and other crimes in the Smith Mountain area, second homes there have decreased in value, eroding the tax base. The second-home market around Smith Mountain is poor, according to realtors in Rocky Mount, Martinsville and Bedford. The taking of 200 feet around all the developable shoreline of the Blue Ridge Project for "shoreline control" guarantees that any profiteering on the Blue Ridge Project will be done by Appalachian, with the help of the FPC, which two years ago clamped stringent bureaucratic controls over all real estate development on reservoirs it has licensed.

7. Need for Power: Appalachian sells no power in North Carolina. Any power benefits would go to the midwest at the expense of North Carolina and Virginia. The cost-benefit ratio is that New River farmers gross \$13.5 million, but power savings would be only \$3.1 million over the next alternative. And the project would consume 4 units of power for every 3 units produced.

EFFECT OF BLUE RIDGE PROJECT AND SCENIC RIVER ON ECONOMY
AND POPULATION OF BLUE RIDGE PROJECT AREA

(Note: Grayson County is included in study)

	BLUE RIDGE PROJECT	SCENIC RIVER
Population Lost or Relocated/Homes Lost	3,000/ 900	-0-
Farms Lost	296 in North Carolina, more than that in Virginia	-0-
Permanent Farm Jobs Lost	300+ in North Carolina, more than that in Virginia	-0-
Farm Income Lost (Gross Sales)	\$13.5 million per year	-0-
Total Land Lost	50,135+ acres (Includes parks and "shoreline control" takings)	400 acres or less
Merchants' farm-related business lost (Banks, machinery dealers, feed and fertilizer dealers, etc.)	10% (Est.)	-0-
Loss to County Tax Bases in North Carolina	10% (Est.)	Negligible
Permanent Job Gains for Local People	Few, if any	25 or so
Road Relocations	31.4 miles in Ashe and Alleghany, 74.6 miles in Grayson	-0-
Roads Under Water	300+ miles	-0-
Cost of Hardships caused by loss of roads	?	-0-
Drawdown (Average weekly according to AEP) / Mudflats	2.5 feet/12.5 feet of mudflats (Shoreline moves an average of 5 feet for each foot of drawdown)	-0-
Land to Come Off Tax Books	3,900 acres in Ashe and 2,400 acres in Grayson	400 acres or less
Cost of law enforcement, schooling, county services, due to influx of up to 1,500 temporary construction workers	?	-0-

R E S O L U T I O N

Aspects of the Blue Ridge Project has caused unnecessary hardship on Grayson County by delaying road construction; hindering in the location of industry; and hampering the normal growth which would be reasonably expected; and,

WHEREAS, the proposed Blue Ridge Project and resultant damming of the New River in Grayson County will undoubtedly seriously affect all phases of life for citizens of Grayson County; and,

WHEREAS, the future and life style of Grayson County citizens will be vastly changed with resulting factors involved being so nebulous as to be totally unpredictable; and,

WHEREAS, these unknown influences are sufficient to have previously caused the Grayson County School Board, on July 14, 1975, to adopt a resolution opposing the Blue Ridge Project; and,

WHEREAS, many good and sufficient reasons exist for opposing the Blue Ridge Project, including the destruction of the historic New River and its archaeological sites, the loss of farm production, the forced removal of people from their homes and lands, and the questioned validity of pumped-storage as a practical source of energy; and,

WHEREAS, the local school system is not designed to adequately compensate for the influx and shifting of population caused by families of construction employees and the families moving because of relocation—thus causing County Administration to be unable to plan for the future; and,

WHEREAS, the incursion of other federal and state projects in Grayson County has reduced the available useable land to the extent that any further consumption of Grayson County lands would become extremely critical to the