TABLE 1.—*Level of operations and performance, fiscal years 1964–67; and estimated level of operations, fiscal year 1970*

Measure	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimate	Fiscal year 1967 (budget estimate)	Fiscal year 1970 estimate
(a) Cumulative number of consumers receiving service from REA electric borrowers, secondary beneficiaries (consumers)	5,300,643	5,440,189	5,600,000	5,750,000	6,200,000
(b) Applicants or participants (number of loans):					
Local communities	13	16	(1)	(1)	(1)
State government agencies	1	1			
Other (cooperatives)	271	230			
(c) Federal finances:					
Loan authorizations:					
Funds available	$434,516,000	$417,329,000	$402,415,000	$292,415,000	(1)
Obligations incurred	$261,459,000	$379,973,000	$270,000,000	$270,000,000	(2)
Salaries and expenses:					
Appropriation available (for both electric and telephone programs)	$11,243,000	$11,934,000	$12,202,000	$12,202,000	$12,202,000
Obligations incurred	$5,919,000	$6,347,000	$6,673,000	$6,673,000	$6,673,000
(d) Matching or additional expenditures [3]					
(e) Number of Federal Government employees administering, operating, or supervising the activity:					
(1) Direction and supervision (Includes Division chiefs, Area Directors and others at GS-15 level or higher.) (Man-years)	20.3	20.3	20.4	20.4	20.4
(2) Supporting personnel (Engineers, accountants, loan and operations analysts, field representatives, clerical and stenographic). (Man-years)	484.9	491.0	505.1	496.4	496.4

[1] Estimates not available.
[2] Estimated capital requirements of borrowers, some of which will be self-generated, are expected to lie within the range of $400,000,000 to $550,000,000. The amount of loan funds to be required from Federal Government sources will be substantially affected by the action which may be taken by the Congress with regard to alternative financing methods as described under item 6(a).
[3] The amount of self-generated capital voluntarily invested by borrowers is not available.

6. Prospective changes in program orientation

(*a*) *Pending legislative proposals.*—The 1967 budget includes a proposal to establish in 1966 a Rural Electrification Administration loan account which will reflect the net cost of the loan programs by showing it as the excess of the aggregate of the loans to be made over the current receipts of loans previously made. The account will be budgeted on a net expenditure basis. It will include both the electric and the telephone programs.

The borrowers' organizations, and the Department, in looking ahead to the future financing needs of the borrowers, are studying the possibility of a new type of financing for rural electric and telephone development which will offer the more mature borrowers greater freedom of financial planning and system development, but at an interest rate higher than the rate which now prevails. This would probably involve the use of capital funds obtained from non-Government sources. Should it prove to be practicable and acceptable to introduce a new type of financing along this line, a portion of the loan needs for the years ahead could be financed under such a plan. It is not practicable at this time to make estimates as to the amount of such financing.

(*b*) *Proposed administrative and organizational changes.*—In January of 1966 a series of changes in the organizational structure of REA were