The Energy of Kansas City

President Bush and KCPL each coined phrases at about the same time. His was “A Thousand Points of Light.” Ours was “The Energy of Kansas City.” Since that time, we’ve both been busy explaining what we meant. Obviously, his phrase was much more visible than ours, but actually both expressions are quite versatile. Electrical energy is remarkable. It is reflected and refracted in ways that beget more energy. Human energy can be similarly amplified. “The Energy of Kansas City,” our phrase, is a rubric that allows me, as a representative of a large supplier of electricity, broad latitude to communicate on almost any subject of importance to Kansas City Power & Light Company.

First, let me put that phrase, “The Energy of Kansas City,” into historical perspective. Since the most popular form of history is biography, I’ll do it in somewhat of a biographical chronology. My company, which is now in its 110th year, was still a gleam in the eyes of its founders when William Rockhill Nelson arrived from Indiana and began publishing The Kansas City Star. Nelson was a crusader and a man of vast civic vision. His sense of the future and how to get there was so strong that Kansas City still bears his indelible imprint.

Next, a German immigrant to Kansas City became a successful industrialist and a philanthropic genius. William Volker fathered the concept of social welfare as a public concern here. When public funds couldn’t be obtained for human and civic needs that he thought were important, he quietly contributed his own money. In fact, we’re right next door to one of his greatest legacies, the William Volker Campus – his gift of a university to his city.

Then came J.C. Nichols, commercial and residential development genius and patron of art in public places. He brought order and beauty out of what was normally the chaos of urban development. Nichols did more than anyone before or perhaps since to give Kansas City its distinctive visual character by creating the Country Club Plaza and the Country Club District in general.

And what if a Nebraska youth, who sold post cards, hadn’t been drawn to Kansas City by the story of how the town rolled up its sleeves to rebuild its burned out Convention Hall in 90 days in time to host a national political convention? As he defined the role of corporate citizenship, Joyce Hall made Kansas City the world capital of the greeting card industry and imparted Hallmark quality to everything he did in his business and civic life.

After a long siege of political misrule, a new style of government finally fought its way into City Hall a half-century ago. The reformers installed L.P. Cookingham as city manager, and
for 20 years Cookingham presided over a model of professional city government that has been emulated around the world. Due in large measure to his foresight, Kansas City annexed huge chunks of land to make it what it is today. Now in his 90s, Mr. Cookingham is still with us and greatly honored.

I must include on my “short list” of Kansas City’s all-time movers and shakers the man who just introduced me. Even in retirement, if you can call it that, Charles Kimball is the guiding spirit of the Midwest Research Institute. It matured under the leadership of this transplanted New Englander into a great regional “think tank.” It was from Dr. Kimball that we learned our future lay not in more smokestack industry, but in developing our commercial, transportation, medical, educational, and cultural assets for life in an increasingly high-tech world.

And no list of this kind, however short, would be complete without the inclusion of the man who exemplifies what modern generosity should be like. Ewing Kauffman was not especially well known outside the pharmaceutical industry when he bought an expansion baseball franchise to keep Kansas City in the major leagues. It is rumored he may not have even liked baseball that well at the time. In his many philanthropic activities since, “Mr. K.” has dug deeply into his pockets to train tens of thousands of people in the lifesaving technique of CPR, and he is now footing the bills for students who graduate drug-free from Westport High School to go to college.

That’s the end of my list for now. That’s not to say that others don’t deserve to be singled out, and certainly will be in the future, and not that some of them aren’t right here in this audience.

The purpose of my list is to tell the story of Kansas City’s growth and character development over the past century. It’s a time line dominated by a succession of powerful personalities, each of whom had many equally strong-willed contemporaries. Together, they exemplify the historic “Energy of Kansas City.” I’m proud that my company has been the one to energize so many of their marvelous activities.

However, my list also raises crucial questions. Do we have in our midst enough individuals potentially like them to ensure our future, or are we going to wait for the foundations and trusts set up by our predecessors to bail us out? Are we going to increase our corporate, professional, and personal involvement in community affairs, or are we going to politely stand aside and relegate our social responsibility to others? The future may ride on our answers.

From the corporate viewpoint, there are two extremes of thought on the question of social responsibility. There are those who say corporations don’t do enough. Others profess that a corporation’s responsibility is entirely to its business, with nothing owed to society in general. In the electric utility industry, it is sometimes argued that fulfilling our mandate to provide adequate, reliable, and affordable electricity to our customers is sufficient fulfillment of our social responsibility. That is much too sterile a view of corporate responsibility for me. And that is not because of any “Mr. Nice Guy” complex. I follow the dictates of corporate self-interest. I am a businessman.

My company is extraordinarily sensitive to the economic and social welfare of the local community. Kansas City Power & Light is exactly what its name says it is. Born here to serve here and with no place else to go. There is no way I can “move the factory,” so to speak. For richer or poorer, in sickness and in health, we are committed to an indissoluble marriage with
this community because it is our marketplace. Plainly and simply, KCPL is in business to make electricity and sell it at a profit. My company is solely dependent on the economic well-being of this community, and social conditions that retard our well-being rob us of profitability. So it really doesn’t make much difference how moralistic my personal views may or may not be on social issues with economic impact.

As you may know, I have been personally involved in trying to minimize racial, ethnic, and religious prejudice in this community. Emanuel Cleaver, now the Mayor, and I were co-chairmen of a project called Harmony in a World of Difference. Prejudice in all of its forms has an intolerable economic price. Moral considerations aside, that was why I became involved. Discrimination is a blight that goes straight to the bottom line. Tension naturally develops among diverse elements in the same community when they are separated by color, ethnicity, or religious belief. Those tensions must be addressed. But my involvement does not mean that I believe Kansas City is a hotbed of racism.

In fact, Kansas City has given remarkable evidence of rejecting racism, at least in its political life. A city, which is predominantly white, has elected a black mayor. The majority of its voters believed Emanuel Cleaver was best fitted to serve. Kansas City’s predominantly white Fifth Congressional District has repeatedly reelected a black to Congress, because the majority think Alan Wheat represents them well. Evidence abounds that white Kansas Citians have accepted non-whites into the political mainstream and are willing to judge them on merit.

Having already alluded to my collaboration with the then mayor-to-be on Harmony in a World of Difference, I suppose I owe you a brief description of it. Similar programs in other cities were credited with having eased racial and religious tensions. Our purpose here was to promote mutual respect through broadened understanding among people of dissimilar backgrounds. An 18-month schedule of anti-discrimination messages and prime-time documentaries were televised with the cooperation of KMBC-TV. Instructional units were developed and used in hundreds of schoolrooms to teach respect for diversity and produce attitudinal change at the most formative stage of life.

Harmony promoted the formation of task forces in which leaders in such key areas as education, employment, economic development, justice, and religion hammered out signatory covenants. Committing themselves and their organizations to future standards of behavior toward people unlike themselves, the Harmony Alliance created a network of organizations and individuals dedicated to building understanding through cross-cultural communication on an ongoing basis.

The highly visible portion of the Harmony campaign has subsided, but many schools have opted to continue using its instructional materials. The Metropolitan Community College system now houses the people and teaching materials we developed and offers high-quality diversity training through its continuing education department. We have used the materials at our company. That staff also monitors the signatory agreements to make sure that covenants negotiated and promised are, in fact, kept. Mayor Cleaver and I and our associates are proud of the outcome, indefinite though it still is. Paths have crossed that would not otherwise, intergroup contacts have been widened beyond turning back, and Harmony has left a legacy for the next generation to build on.

You’ll pardon me if I continue in this vein of personal experience. As Will Rogers said when asked to what he attributed his success as a communicator, “I stick to what I know for a
fact.” And I know for a fact that corporate resources – manpower at least as much as money – can have a salutary effect in dealing with community problems.

KCPL promotes employee volunteerism by permitting company time to be spent on community projects, as long as it’s kept within reason. We have a community affairs representative who maintains a computer matching service. Employees express their community interests and then are notified of appropriate volunteer opportunities. Our employees are active volunteers for over 300 organizations and causes. And those are just the ones we know about. Every such employee is “a point of light” and most certainly an example of “The Energy of Kansas City.”

My company is desperately interested in improving public education, for our own future is at stake. I hope the day will come when every person who applies for a job with us will be able to fill out the application form. Today, sad to say, many cannot. The recent Workforce 2000 study makes the gloomy prediction that we will be unable to fill our job openings with qualified people by the turn of the century because of illiteracy and the lack of basic skills. We are trying to contribute to a reversal of that disturbing trend.

One of our vice presidents is just back to full-time company duty after being a loaned executive with the Kansas City School District for two years. He provided corporate expertise to the management of the system’s business affairs. A group of KCPL employees has an adoptive relationship with Martin Luther King, Jr., Middle School and another group recently began serving as reading coach volunteers to Hispanic children from Guadalupe Center during the evening hours.

We are also active in minority business affairs. I serve as chairman on the Board of the Kansas City Minority Supplier Development Council, whose member businesses try to provide minority entrepreneurs with a level playing field by counseling them on how to land business in mainstream competition. One of the biggest problems facing fledgling minority enterprises is financing and access to capital, and that has led to the creation of the Kansas City Minority Business Capital Corporation. It is designed to operate a revolving loan fund to provide credit that minority businesses could otherwise not qualify for through normal commercial channels. In that particular area, we could use your help and money.

KCPL has a Minority Vendor program. We identify minority businesses and encourage them to bid on the purchase of their goods and services by KCPL. Teams of company employees function as consultants to struggling minority enterprises in our Adopt-A-Vendor program. There is no charity or favoritism involved in any of these activities; we only give the opportunity for those businesses to qualify and compete to become company suppliers. When it works, which is with increasing frequency, we have a true “win-win” situation.

We also try to create employment opportunities. The most gratifying recent example is the graduation of our first class from the Lineworkers Training Program that KCPL subsidizes and helped establish at Penn Valley Community College. Those who make it through will have an opportunity to become apprentice KCPL lineworkers. We used to say “linemen,” and I may still from time-to-time say that, but there are now a few women entering the trade, including one of the 14 who completed this 32-week course over the last academic year.

We publicized this training opportunity, and limited it to high school graduates who tested drug-free. We focused and targeted our publications among minorities and women in the
local community and, in large part, in the central part of the city. The lineworkers’ trade is demanding, highly skilled, and very well-rewarded. Traditionally, its ranks have been monopolized by white males. Increasingly, we have had to go beyond the city to recruit them. It is not that easy to find young people willing to work 45 feet above ground in all kinds of weather at tasks which require exceptional upperbody strength, great dexterity, and a working knowledge of math and electricity.

Our apprentice program was experiencing disturbing difficulty in recruitment. Local 1464 of the International Brotherhood of Electrical Workers, which represents our lineworkers, readily agreed to support this nontraditional approach to recruiting minorities for pre-apprentice training. It was designed to prepare and motivate them for success in the 3-year apprentice program that a KCPL lineman must undergo to become a qualified journeyman. The Penn Valley training program is conducted once a year, and KCPL is committed to provide employment for those who successfully complete it. The key is that those who successfully graduate from the program are guaranteed jobs. They began work Monday, June 3, of this year.

I was flattered to be the graduation speaker for those young people. The class also presented its own program. Their esprit de corps, their love and hopes for one another, and their appreciation for what was happening to revolutionize their lives was simply unbelievable. Here were 14 young people: 10 black men, two Hispanic men, one white man, and one white woman – snatched from either unemployment or low-paying jobs and catapulted into a trade that pays over three times the minimum wage at the entry level.

It’s a long way from the inner city where we recruited our trainees to suburbia where I live. Wherever we live or work, let us recall that there would be no suburbs without the central city. The promise that it offers, the promise that perhaps 14 youths represent, still exists there. It would be tragic to ever let downtown Kansas City fail. A dynamic center is needed to anchor the Kansas City region. A hollow core of decay would only spread its rot outward with time. So I encourage you to let the view from College Boulevard, or wherever, include the idea that the central city is still the solar plexus of Greater Kansas City.

The future of downtown is not to recapture the past. Its past is already lost to the suburbs. But downtown, with a little encouragement, can have a brilliant future. It is an ideal center for government, finance, professional, and commercial activities; for conventions, entertainment and dining; for residential life and an appropriate amount of retailing to serve the populations that live and work there. What we have to remember, and what has been the history of Kansas City, is that the downtown’s health – good or bad – will inevitably radiate outward. Suburbs that are here today are what our downtown used to be, and what our downtown becomes is what our suburbs will become as well.

Mayor Cleaver has called for a “non-aggression pact” to settle the dust of contention among disparate elements in Greater Kansas City, so we can march united into the future. He envisions a metropolitan approach in which we would all be rowing the boat in the same direction. He seeks a climate in which one party’s gain, if it is for the good of the metroplex, is cheered by all. But, there are lots of hatchets to be buried. We are, after all, a metropolis divided among two states, a multiplicity of counties, and over 100 incorporated municipalities. The Mid-America Regional Council has helped promote inter-governmental cooperation, but reaching a consensus is still too much like assembling a jigsaw puzzle. I applaud the Mayor’s initiative and encourage the private sector to become more active in forging a metropolitan unity of purpose.
Whatever you may think of the past decade in Washington, it has greatly diminished the stream of federal money that used to flow to state and local governments. Uncle Sam’s poverty has pinched the umbilical cord to the hinterlands. We are left to our own devices to deal with an insufficiency of public funds measured against a geometrically expanding list of demands and services. We have to back off from local insistence on “no new taxes” – which the voters have already indicated a willingness to do, if they can be shown a good rationale. We’re also going to need more William Volkers, willing to invest private money and effort to achieve worthy public purposes.

Above all, we’re going to have to renounce our doctrinaire ways. Neither Kansans nor Missourians can claim superiority. Neither conservatives nor liberals have a corner on political wisdom. Neither Republicans nor Democrats have a monopoly on correct solutions. Neither the public sector nor the private sector always know how best to get things done. Our responses to civic problems need to become less bureaucratic and more entrepreneurial.

An excellent example of creative cooperation is the project to induce McDonnell Douglas to locate on city land near KCI as the site for a proposed aircraft plant to manufacture a new wide-bodied jetliner. A coalition of government, business, labor, and economic development experts is working well together toward a common objective. The prize is an estimated 8,500 jobs, but the prize is not without a high price. Kansas City may have to invest $75-million dollars or more to prepare a workable plant site for McDonnell Douglas and that may just be for starters. We have to be willing to make that kind of investment to compete for those 8,500 jobs. The key word is “willing.” It is not a gamble, but it is not a freebie, either. It is up to us to decide if it is worth the cost and whether we want to support it with our leadership.

This is as close as we’ve come to attracting really major new industry to this community. You will recall that first there was the General Motors Saturn assembly plant. We made a strong pitch, but no cigar. It went to Tennessee. KCPL was involved in trying to convince the federal government to locate an awesome atom-smashing super-conducting super-collider in eastern Kansas. Texas won out, assuming the super-collider ever gets built. Many of us were involved in putting together the prospectus for attempting to lure the semi-conductor industry’s Sematech plant to Kansas City before the proposal was abandoned. And, now, we have McDonnell Douglas. We always benefit from the competition itself, but it would be much more exciting to win this one.

Speaking of jetliners, book a window seat the next time you fly into Dallas. Look down as you approach. You’ll see this vast expanse of urban sprawl along a relatively minor stream surrounded by an arid plain. Then, when you fly back home, look down on a Greater Kansas City stretched out from the bend of a mighty river and set into rolling woodlands surrounded by verdant farmlands. It is much easier to see why a great city grew here than to understand how Dallas took root where it did and became so big. Sure, they did a lot of oil and cattle business there, but we had a few things going for us, too.

My point is that, all things being equal, Kansas City was more amply blessed than Dallas, even though Dallas has since become much the bigger of the two. What might account for the difference? Both cities had civic leadership with great determination and drive. Dallas, however, had so little else for openers that less of its growth was natural. Perhaps, more of its growth has to be attributed to leadership that made it happen by the sheer force of its will.
So what has all this to do with “The Energy of Kansas City?” Electrical energy and human energy are both part of our capacity to get things done. In order to get things done in this community in the years ahead, we’re going to have to network and coalesce as never before. We must learn – and learn quickly – to unify where we have allowed ourselves to become divided. We must accept tasks that are not necessarily in our “job descriptions.”

Permit me to close by letting you in on a little secret: we don’t really make energy at KCPL – it already exists naturally in the environment. We simply convert it, harness it, and direct it toward some beneficial use. The process doesn’t work by our encouragement alone – we have to “lay hands on” to get it done, and I suggest that Kansas City owes itself no less.

Thank you.

QUESTIONS AND ANSWERS

QUESTION: Although a lot of people are working on the McDonnell Douglas project, I would be interested in your comments about another equally large employer who is moving across Kansas City to Overland Park and could have come into the decaying core, as you refer to it, instead of going to Overland Park. Is that locked in concrete? If we are going to talk about raising bonds to get McDonnell Douglas here, why couldn’t we have done something to attract that company into downtown Kansas City or at least into Kansas City, Missouri?

ANSWER: I don’t have an answer for you, to be honest, and I don’t mean to be coy. The business of economic development in the Kansas City area is one in which the local political subdivisions do not pirate from one another. But when a decision has been made to relocate within this area, that makes the business fair game among all the various candidate sites choosing to compete for it. I believe you are alluding to United Telecom and Sprint. If it is another company, then I am in the dark. I don’t think Kansas City, Missouri, was ever in the running, particularly the suburban area. The corporate headquarters are located on the Kansas side. Kansas City, Missouri, when we did ask about it, simply could not amass the real estate at any place in the central core to house it.

But in terms of why we don’t mount the effort, perhaps it is out of respect for the choices made by the company’s management as to where they would like to move. Can I get any more evasive?

In the business of representing the Kansas City community, I have a great deal of interest in and commitment to retaining and/or rebuilding the vitality of the inner city. When I refer to downtown, I mean the central core of the city, not just the central business district. When I work very hard on projects like bringing McDonnell Douglas to Kansas City, representing my company and representing the Kansas City Area Development Council, and others, my job is to get employers to this metropolitan area, not to choose which site they locate on when we get them here. The perspective we bring to a business opportunity like that is quite different.

I will make another remark in that regard. There is no organization in Kansas City, that I am aware of, worth a hill of beans right now in terms of business retention. And if that is read as an indictment of a number of systems in place, it is meant as one, because as a community we do not do as good a job in retaining business and helping it to develop and grow here as we do in attracting new business. That is something we have to overcome.
QUESTION: May I ask you to expand on that point? Three of Kansas City’s largest enterprises – Hallmark, Marion, United Telecommunications – have literally grown up here, almost from scratch. Are there visible possibilities in other companies? Those three companies were not attracted here or brought here.

ANSWER: In terms of companies alone, or in terms of particular industries, I don’t know if we can identify any in particular right now. You are right, none of those three was attracted to Kansas City by means of relocating from some other place.

They grew up and made their fortunes here. I don’t think the business growth of United Telecom, Marion, or Hallmark ever depended upon what the local community did in terms of economic development inducements. They have succeeded because of business prowess, the vision of their leadership, and because they were in a good market.

I don’t know, and any of you could probably answer as well as I, whether there are other Hallmarks or Uniteds Telecoms out there. I believe there is tremendous potential in certain areas or segments of our economy that have yet to fully blossom. In large part they are in the development of hightech industries, perhaps even more in pharmaceuticals, and certainly in telecommunications, rather than just through the business growth of Southwestern Bell, United, or US Sprint.

One of the issues we must confront as a community is whether we have adequate higher educational offerings locally to continue developing talent or attracting it. Those types of businesses thrive upon education. Perhaps none of us can identify the industry and commerce that will develop and sustain the United States and our economy generally into the future. But we do know this: they will rely on intellectual talent and not physical labor. Where intellectual talent begins to emerge, develop, and grow, we may have some idea, but I’m not sure we know the identity of companies that are going to fit those roles yet.

We do need to strengthen our university system and our opportunities for higher education. We know that the world of the future, in terms of advancement industrial, economic, and technological – must depend upon intellectual talent. We have to do a much better job as a community in delivering the educational systems, principally university systems, that can deliver that intellectual talent.

QUESTION: How accurate are the mechanisms that you have to measure our potential needs for energy in the future, and what assurances do we have that you are equipped to meet that need?

ANSWER: I have a lot of confidence in our ability to forecast what the consumption patterns of electricity will be. We have developed good systems of predicting what you as residents and as business people may do in the future. We have, after all, 110 years of experience in doing that. What is creeping into the equation today, more so than ever before, are concepts that our engineers and the other professionals who help us have more difficulty in dealing with. In economic lingo, they are called externalities. They are subjective factors and not objective, and they will influence what we can or cannot do in terms of meeting future demands.

Let me give you an example. There is a growing sense and a growing commitment on the part of the American public about matters of environmental quality and improvement. It has been fashionable for the last 20 years, ever since the National Environmental Policy Act was adopted, to be in favor of the environment and keeping pollution to a minimum. But when it came to
paying for what it cost to do that, to continue to develop business, to grow industry, and then to pay the cost of doing so, it was not so popular. The public opinion polls we take, or we subscribe to, suggest that is no longer the case today. The American public, and the Kansas City public, is getting serious about its interest in and its concern for the quality of air, the quality of water, its cleanliness, and how we dispose of waste, and the whole panoply of issues.

Let me give you another illustration. In the last presidential election campaign, more money was raised, by a factor of 5, by fund raising and contributions from environmentalist groups in the United States than from all the political parties that sponsored presidential candidates. Greenpeace, the Sierra Club, and other grassroots organizations of that sort, collected $10 and $25 from individuals who were members. They raised five times more money than political parties, and obviously wrote at least five times the number of letters to their congressmen on issues of concern to them. That fact, confirmed by our own public opinion polls, suggests that issues like environmental quality and concern will portend a different future for us.

Our business will become more one of being an active player in what is called demand-side management. This means we will have to work with you and learn to control our forecasted use of energy. We may ask you to cooperate and participate with us in regulating the use of your appliances or ask you to accept our investment in energy-conserving appliances, new technologies, high-efficiency light bulbs, and variable speed motors, which can be used in factories to conserve energy.

I feel comfortable about our ability to forecast what the American public’s appetite for electric energy will be. I feel comfortable about the share of the total energy market that we as electric suppliers will be able to harness and enjoy. I feel less certain about the direction political and/or other winds may blow as the ever-increasing sentiment for these factors, which are subjective in nature, begins to influence our business. We have had their influence before, but not like today. I don’t know what impact they will have on our business. I think we are well prepared for it, but we may have to take initiatives on our own.

As far as our ability to finance it, to the extent that the Kansas City economy continues to thrive, we’ll do just fine. To the extent that we get 90 degree afternoons of high humidity, we’ll do just fine. So I’m not so concerned about the ability to finance it, nor our ability to succeed as an energy enterprise. I am more concerned about the impact that may occur, thanks to these issues that are still taking shape in the public policy arena. They are of concern. They are not worrisome, but they are of concern.

QUESTION: In the context of the competition for the

ANSWER: McDonnell Douglas location in Kansas City, do you have any indication that there already may be a commitment on the part of that company and that Kansas City and other communities are simply being used to extract advantages from the chosen site? Will the competition be fair?

Let me answer the second part of that question. No, it won’t be fair, and I hope it’s not, because we are going to play hardball. I don’t believe that McDonnell Douglas has indicated any predisposition to another site. We have no indication, in terms of any of the contacts that we have, that McDonnell Douglas is any more or less interested in any other community. We do know, as you would expect, that McDonnell Douglas itself is in the midst of some extremely severe political pressure to consider districts and communities not on the official short list. We
know that is happening. Additional names of communities originally not identified as short list candidates have been released. That is all right; we understand that will happen.

What I can assure you is this: McDonnell Douglas has expressed a great deal of interest in what Kansas City has to offer. I’m not talking yet about quality of life attributes. I’m talking about 600 acres next to a 10,000 foot runway, and a city willing to do the infrastructure development for them and all they can to accommodate them. A city that will make sure rail service is available for that site and a city with the ability to supply 5,000 to 6,000 skilled workers to run a cost-effective manufacturing assembly line. That is what interests them about Kansas City. I think we have as good, if not a better chance, than any of those other communities.

Now let me point out that Salt Lake City, which is one of the communities on the final list, already has a McDonnell Douglas facility with about 1,000 employees in place. Tulsa already has aircraft assembly facilities in place, a skilled work force, and the rail service. I don’t think Shreveport has McDonnell Douglas facilities, but it does have some aircraft assembly there. It also is in a somewhat depressed state, and Louisiana declared sometime ago that whatever it takes to attract industry and jobs it intends to do, even if it means putting the full faith and credit of the state behind those efforts. What does it have to lose?

In terms of Kansas City’s approach to this competition, we are not desperate. We are not fighting to avoid losing 8,500 jobs. We want 8,500 new jobs in Kansas City that will pay very handsome wages and provide sufficient family income to buy the goods and services that make an economy flow in this community so that people can afford to send their children to college. They will not be minimum wage jobs, and they will not be back office service jobs. They will be well-paid people, highly skilled, and we want them here in Kansas City. But we want them for the benefit they bring to the community; we don’t want to take on burdens that make that benefit worthless. I hope I have answered your question.

I think we have a fair shot at it. I am quite aware of all of the opportunities that we have had in the past when we’ve set ourselves up for a good fall. I’m concerned about that, too, but I’m not willing to give up yet. There may well have been 64, maybe 75, communities that were looked at in the first or second analysis, and we are in the final four, which gives me great pride. What we want to do is walk home with the trophy.

QUESTION: We are addressing minorities and talking about the disadvantaged and having opportunities for them, but I feel that Kansas City is in great peril of losing some of our brightest young people. I’m talking about those in college, or those who have just graduated from college, who are going to live elsewhere. I would like to see you address this concern to be sure we don’t overlook the fact that we need to have opportunities for our advantaged, too.

ANSWER: I doubt that anyone in the room would really disagree with you. Let me simply rationalize something for you. I don’t mean to be maudlin about this, but I grew up in Kansas City, Kansas, and went to a relatively blue-collar high school. The parents of students at that school tended to work on the railroad, or the icehouse, or like my dad, in the construction business. These were pretty solid families. The school at the time I was there was roughly 60 percent white with the remaining 40 percent equally divided between black and Hispanic students.
Some of my classmates were exceptionally bright kids. Some could run faster than I, but because of family needs, they couldn’t come to practice every night, so they never got as conditioned as I did. Some were just as smart as I, but they didn’t get to come to school every day, because they had family problems, and so forth. The point is none of us were any poorer or richer than the others. But I was white, and I can assure you that having come from the same skill base and the same talent base, I never had to deal with the handicap of race.

Bright kids need a place to work; they need a place to fashion a future in a community. We owe that to children growing up who have talent in this community, but the bright white kid will never encounter the race barrier. I have lived it, and I am thankful I didn’t have that barrier, otherwise I would not have had those opportunities myself.

QUESTION: The community of Wichita produces more commercial aircraft than any other area of the world, I guess, and one of those reasons is that 50 or 60 years ago a commitment was made to an aerospace engineering program at Wichita State University. Do we need to expand our aerospace engineering programs in this area?

ANSWER: I’m not sure McDonnell Douglas is interested in the quality of our aerospace engineering programs, because they don’t intend to design their aircraft here. They intend to build them here. But, we do have some pretty competitive aerospace engineering programs to offer as well at KU and K-State. Dave Bodde from MRI could probably tell us more about that. If we are not as good as Wichita, which I don’t believe we are, we are gaining on them.

Dr. Kimball and Dave Bodde, just to single out a couple of people, and a number of members of our business community have become committed in a very significant way to the development strategy of strengthening an urban university presence in the Kansas City area. They are taking the existing framework of post high school – two-year schools, four-year schools, the large state schools that we have nearby, UMKC and the University of Kansas – and beginning to enhance their presence in Kansas City. Their programmatic development seems to be illuminating the way for the future of Kansas City.

As I mentioned earlier, I agree with you fully that our future rests on the shoulders of the intellectual talent that we grow and attract. And if we grow them, we need to keep them in the Kansas City area. If we develop and educate Nobel Laureates in Kansas City, we’d better employ them or put them to use in the university system in Kansas City. We have a long way to go to do that, but there are a lot of people who are dreaming about it.

QUESTION: Would you comment where we are in terms of commercial nuclear energy?

ANSWER: I believe the commercial nuclear power plants operating today in the United States are probably the only ones any of us in this room will see operate in our lifetime. I think it will be many years before the reality of a new generation of nuclear power comes to pass. The public confidence in nuclear technology, which was quite fragile to begin with, has eroded significantly due to the unknowns of that technology and has been just destroyed by events like the Chernobyl accident that happened in the Soviet Union. The public has a long way to go before it will accept the role or responsibility that nuclear power has to play.

But in our system, because we have a nuclear power plant or an interest in one, our concerns about acid rain, the emissions of sulfur dioxide into the earth, the greenhouse effect, which is the escape of carbon dioxide into the atmosphere, are mitigated by about a third since Wolf Creek generates about a third of our energy. It doesn’t emit anything, just kilowatt hours.
But I don’t think in the near term we will see a reemergence of the nuclear industry as such, nor the commitment of major capital investment to it, because of the lessons learned by those who have gone through the first, or second, generation of those plants, and because of the confidence level on the part of the American public.

I learned something indelibly in college as I watched fellow students protest over either civil rights issues or Vietnam war issues. Whether it was right or wrong, it doesn’t make any difference because it really influenced me. I learned not to underestimate how far masses of people will go if they get riled up enough – don’t underestimate the popularity of your decision making, however right or wrong it may be.

I can assure you I don’t sense, and I don’t believe my colleagues in our industry sense, that it is imminent that we will see more development of nuclear power. It’s a shame, because we have controlled that technology well. But you have to remember we are in business to serve, and serve satisfactorily, the American public. To the extent that they are comfortable with what we do and satisfied by what we do, we can keep our customers happy. And that is what we will try to do.

QUESTION: Do your remarks on the subject of nuclear power apply with equal force to foreign countries, particularly France, Germany, Sweden, and Japan?

ANSWER: I don’t think I can generalize about all of those countries in one answer. Japan has made an enormous commitment to nuclear power out of sheer economic necessity. The Japanese have to import their fossil fuels; they have little choice. Certainly the government continues to support nuclear power. That is less the case in Great Britain, which many years ago nationalized its power industry. Now the British are in the throes of reversing themselves and privatizing it. The only exception is their commercial nuclear industry. I don’t know if the public sentiment favoring nuclear power is any greater in Great Britain than it is here.

Sweden’s popular mood seems to indicate they might like to see their nuclear program phased out. France is a bit iffy. One year the French are loud proponents, and another year they are loud opponents. It seems to change with the voting majority in their legislature or equivalent there. So it varies around the world right now in terms of the interest in and the willingness to take the risk of nuclear power.

Unfortunately, I don’t know how the world at large is going to answer concerns about environmental quality and controlling the livability of this globe – air quality, water quality, and all the other dimensions – and at the same time continue to burn any renewable fuels like those derived from grain or corn or even rubbish or coal, gas, or oil. Anyone who took a very basic chemistry course, or even eighth-grade science, understands that you get more out of fire than just the heat. You are going to have some waste and residue and release some emissions into the air. There is no way to make them zero, so I don’t know where that irreconcilable set of interests may take us. I suspect the Dave Boddes of the world will figure out ways for us to burn coal without emitting anything, satisfy the appetite that people have for electric energy, and make me rich in the process.

QUESTION: What are the programs that existed in the past, particularly for your company, in terms of interest in the development of fusion technology.
ANSWER: Let me tell you all I know about the difference between fission and fusion. In fission, you split the atom and give off energy; in fusion, you fuse the atoms and, theoretically, it multiplies and creates more energy than has to go into the process to fuse them in the first place.

The Clinch River Breeder Reactor was a demonstration fusion experiment conducted with the funds of the United States government for years and years, but Clinch River fell off of the government’s Energy, Research, and Development budget some years ago – five or six years ago. While the reactor still sits there as a piece of brick and mortar, and I suspect there are activities underway there, it is not funded as an advancing technology any longer.

Our company has done little in terms of following it. We have been preoccupied with operating Wolf Creek as safely and effectively as we can and putting more of our research dollars, to the extent that we pool them, into emerging issues, such as the long-term concerns for the environment and the long-term health effects of our facilities. We want to keep the public that we depend upon for paying our bills each month calm and satisfied, so we have not put much into fusion lately.

QUESTION: This discussion about energy would be incomplete without a comment on solar energy. Would you comment on solar energy and its potential for the future?

ANSWER: I am glad you mentioned solar energy, particularly given Midwest Research Institute’s contractual management of the Solar Energy Research Institute in Colorado. I should have thought to mention that before. I think, and we think, solar energy and the direct conversion of sunlight has tremendous potential for our country. But when I say I do not believe it will ever substitute for the central station generation and distribution of electricity, that simply means we make power in power plants and remote industrial locations; move it along wires to transformers and substations; and ultimately distribute it to your homes and businesses.

Solar may be able to supplement some of our needs. It obviously can make contributions to things like water heating, lighting, and perhaps battery recharging and the like – and we all have our fingers crossed that even larger breakthroughs can be made. We have a renewed level of interest in SERI. We have been in contact with MRI officials there. In fact, I have watched it with a great deal of interest over the years. My dream is to be in this business and be the guy who bought the rights to a solar chip that we will all put on top of our roof and tack down. We will cut down all our wires and poles, and everybody’s home will be run by this solar chip. Your folks promised me, Charlie, that they are going do that, and I hope it happens before I retire.

QUESTION: To what extent can our growing energy needs be met by increased efficiency of existing facilities?

ANSWER: I cannot quantify this, but I will generalize – it is considerable. We have devoted a lot of investment, a lot of talent, and a lot of energy over just the last five years in trying to determine how much more we can get out of our existing facilities – the megawatt generating capacity of power plants, the transmission capacities of lines that are strung along networks of poles and transformers, and how we can assist customers themselves in helping us be more efficient.

During the past five years, a bright young cadre of engineers have found ways to squeeze megawatts out of old plants that 10 years ago we would not even have considered. That is not to criticize the ability or perspective of the prior management of our company. It costs too much to build new today. We cannot afford to retire anything. We have to life-extend, or keep
maintaining as long as we don’t reach the point of diminishing returns in terms of what we are willing to invest. Like an old car, at the point that it is more expensive to keep it running than simply replacing it and buying a new one, then you will do so. We are not to that point.

We probably have found through the innovation of our engineers alone 150 megawatts of capacity, which is the equivalent of an oil-fired combustion turbine in our system, and a savings of about $35-36 million of investment. We found it by diligence and by people being asked to look for it. This is one of the reasons we have not sought rate relief, and why we are not now constructing. It also is one of the reasons we have been able to make those statements in the face of growth that was almost meteoric in the late ‘80s after Wolf Creek was completed. We really enjoyed a robust period, in case any of you missed it, in ‘86, ‘87, and ‘88. We have not added any new power plants and have no immediate need to do so over the next four or five years, even in small increments.

So, yes, you can capture a lot if the economics of the time or your own initiative tells you to start scratching and looking for it. Since 1988, we are serving about 18,000 more customers than we did that year. Their appetite for electricity has probably grown by four or five percent on a compound-basis over that same period of time. Our revenues are at all-time record levels; our generation of electricity is at all-time record levels; and my employment is down by 20 positions. This is because we are encouraging people to educate themselves better and to stretch their minds and find megawatts of capacity, which really pleases me no end to be able to say that.

I should tell you we have a way to go yet. I don’t think we have hit the bottom of the barrel in terms of what we can squeeze out of our own company and that is what we are working on right now. I want my earnings to keep growing, and I’d like my dividends to keep growing. I love 91.2 percent turnouts at annual meeting time in terms of favorable proxies, and that is what I got last year. I will only get that so long as we keep providing that return to that segment of our business as well.

QUESTION: Could you comment briefly on the future of waste-to-energy facilities in the Kansas City area?

ANSWER: The concept is one of taking solid waste, burning it, using the waste heat to make steam, and creating a by-product of electrical energy. In terms of the technology, it is there now. I have visited plants, particularly in the Baltimore area, where the direct burning of unprocessed solid waste is done with regularity, and both steam for downtown Baltimore and electricity for the area is produced very effectively, efficiently, and cleanly. The technology’s future in the Kansas City area is what elected officials in over 100 incorporated municipalities, 11 counties, and two states decide it will be. That is what the future is of waste-to-energy in Kansas City. No single political subdivision will be able to address, let alone solve, their own solid waste issues in this region.

Until such time that elected officials decide somebody is going to unify that group of people and seek a single solution to solid waste management, then there is no future for solid-to-waste energy. If you want me to raise the capital and get the consultants on board and the engineering talent to build it right now, and then burn the waste and make the electricity as a by-product, I could have had it done by now, because we were underway with an effort like that about four years ago. But we can’t do that alone. Waste comes from all of us in increasing amounts, and political subdivisions have to determine what the future of solid waste disposal is going to be and if recycling, or waste-to-energy, or whatever else is in that picture.
A. Drue Jennings is Chairman of the Board and President and Chief Executive Officer of Kansas City Power & Light Company. Before coming to KCPL in 1974, he was in private law practice.

Mr. Jennings is involved in a range of business, civil and professional organizations in the Kansas City area. He serves on the Board of Directors of professional organizations such as the Edison Electric Institute, Southwest Electric Conference, and Electric Power Research Institute. Some of his civic responsibilities include being chairman of the boards of the Kansas City Area Development Council and the Kansas City Minority Supplier Development Council and membership on the boards of Bethany Medical Center, the American Royal Association, SHARE, Inc., and the Johnson County Community College Foundation. In addition, he is a member of the Board of Trustees of Midwest Research Institute and the Kansas University Endowment Association.

A native of Topeka, Kansas, Mr. Jennings received a B.S. in Education from the University of Kansas in 1968 and a J.D. from the University of Kansas School of Law in 1972.

MIDCONTINENT PERSPECTIVES was a lecture series sponsored by the Midwest Research Institute as a public service to the midcontinent region. Its purpose was to present new viewpoints on economic, political, social, and scientific issues that affect the Midwest and the nation.

Midcontinent Perspectives was financed by the Kimball Fund, named for Charles N. Kimball, President of MRI from 1950 to 1975, Chairman of its Board of Trustees from 1975 to 1979, and President Emeritus until his death in 1994. Initiated in 1970, the Fund has been supported by annual contributions from individuals, corporations, and foundations. Today it is the primary source of endowment income for MRI. It provides “front-end” money to start high-quality projects that might generate future research contracts of importance. It also funds public-interest projects focusing on civic or regional matters of interest.

Initiated in 1974 and continuing until 1994, the sessions of the Midcontinent Perspectives were arranged and convened by Dr. Kimball at four- to six-week intervals. Attendance was by invitation, and the audience consisted of leaders in the Kansas City metropolitan area. The lectures, in monograph form, were later distributed to several thousand individuals and institutions throughout the country who were interested in MRI and in the topics addressed.

The Western Historical Manuscript Collection-Kansas City, in cooperation with MRI, has reissued the Midcontinent Perspectives Lectures in electronic format in order to make the valuable information which they contain newly accessible and to honor the creator of the series, Dr. Charles N. Kimball.