

# United States Senate

WASHINGTON, DC 20510

April 11, 2014

The Honorable Mark Pryor

Chairman, Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies

129 Dirksen Senate Office Building

Washington, DC 20510

The Honorable Roy Blunt

Ranking Member, Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies

190 Dirksen Senate Office Building

Washington, DC 20510

Dear Chairman Pryor and Ranking Member Blunt:

We write today to convey the vital role of Rural Utilities Service (RUS) electric loans in maintaining strong electricity infrastructure throughout the country. As you consider the fiscal year 2015 Agriculture Appropriations bill, we urge you to support the RUS Electric loan level requested in the President's Budget, which is equal to the currently enacted loan level. We also ask that the Committee recognize the importance of a broad-based domestic energy supply and support RUS in financing the full range of cost-effective electric generation.

Consumer-owned, not-for-profit electric cooperatives generate less than five percent of the nation's electric power but maintain nearly half the nation's electric distribution lines. Electric cooperatives' distribution systems cover 75 percent of this country's land mass while serving 12 percent of American electric consumers. Electric cooperatives use RUS Electric Loans to finance electricity generation and distribution and provide affordable, reliable electric service to approximately 42 million people every day.

As you know, these loans are repaid with interest and have an extraordinary track record of repayment. RUS Electric Loans also contribute to deficit reduction. In fiscal year 2015 alone, electric loan repayments will net more than \$280 million to the U.S. Treasury.

The President's Budget recommends that portions of the total loan amount be directed toward specific purposes. Instead, we suggest RUS lending continue to be driven by the needs of the borrower, rather than limited by the type of project proposed. This flexibility will help meet the diverse challenges of RUS electric borrowers and ensure loans are available whether the project is for environmental upgrades to current generation, the construction of renewable or natural gas generation, or the development of new baseload generation.

Lowering the U.S. deficit and keeping consumer co-op electric bills are mutually beneficial goals we can all support. Thank you for your consideration of our request.

Sincerely,

Joe Donnelly

John E. Walsh

Jim

John Hosen

Mary K. Dixon

John Barrasso

Tom Udare

Mark

James McLaughlin

James

Paul Lee

Mike Enji

August King

Heidi Heitkamp

Jim

Jim Johnson

Amy Klobuchar

Lizzy Hinton

Sally Chaudhry

Kay R. Hagan

Deb Fischer

May of Gardner

Jamy Beldi

Chuck Grassley

Al Franken