

108TH CONGRESS
1ST SESSION

S. 308

To impose greater accountability on the Tennessee Valley Authority with respect to capital investment decisions and financing operations by increasing Congressional and Executive Branch oversight.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 2003

Mr. LOTT introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To impose greater accountability on the Tennessee Valley Authority with respect to capital investment decisions and financing operations by increasing Congressional and Executive Branch oversight.

1 *Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. TENNESSEE VALLEY AUTHORITY.**

4 (a) **DEFINITIONS.**—In this section:

5 (1) **AUTHORITY.**—The term “Authority” means
6 the Tennessee Valley Authority.

7 (2) **BOARD.**—The term “Board” means the
8 Board of Directors of the Authority.

14 (b) PLAN.—Not later than 90 days after the effective
15 date of this section, the Authority shall submit to the Di-
16 rector and each of the Committee leaders, for their concur-
17 rence, a Ten-Year Business Outlook and Strategic Plan
18 for the Authority that includes, at a minimum—

19 (1) estimates of—

20 (A) the power demand in the service area
21 of the Authority during the 10-year period fol-
22 lowing the date of the plan;

23 (B) the assets that the Authority anticipates will be available to meet that demand;
24
25 and

1 (C) capital expenditures that will be re-
2 quired to meet that demand;

14 (c) FINANCING STRATEGIES.—The provisions of the
15 Plan relating to financing strategies under subsection
16 (b)(3) shall include a recitation of the policies of the Board
17 with respect to—

18 (1) the use of short-term and long-term debt;

19 (2) the use of derivative or other financing in-
20 struments; and

21 (3) risk management strategies.

22 (d) LIMITATIONS.—

23 (1) IN GENERAL.—The Authority shall not,
24 until the date, if any, on which the Director and

1 each of the Committee leaders issue a written con-
2 currence to the Plan—

3 (A) expend any internally generated capital
4 or otherwise undertake any investment in, or
5 enter into any arrangement that would result in
6 the development or financing of, new, addi-
7 tional, or replacement plant, equipment, or ca-
8 pacity; or

9 (B) without the written concurrence of the
10 Director and each of the Committee leaders,
11 undertake any financing of additional indebted-
12 ness or refinancing of debt of the Authority in
13 any public or private market.

14 (2) EFFECT.—This subsection does not pre-
15 clude the Authority from expending available funds,
16 in the exercise of the independent judgment of the
17 Authority, for the repair, maintenance, or necessary
18 renovation to preserve the operating capacity and ef-
19 ficiency of existing units and related facilities.

20 (e) EFFECTIVE DATE.—This section takes effect on
21 January 31, 2003.

