

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.

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## 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

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## 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.

1           (3) COMMITTEE LEADER.—The term “Com-  
 2       mittee leader” means the chairman and ranking  
 3       member of each of the Committee on Appropriations  
 4       and the Committee on the Environment and Public  
 5       Works of the Senate and the Committee on Appro-  
 6       priations and the Committee on Transportation and  
 7       Infrastructure of the House of Representatives.

8           (4) DIRECTOR.—The term “Director” means  
 9       the Director of the Office of Management and Budg-  
 10      et.

11          (5) PLAN.—The term “Plan” means the Ten-  
 12      Year Business Outlook and Strategic Plan submitted  
 13      under subsection (b).

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 antici-  
 24               pates will be available to meet that demand;  
 25               and

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

3 (2) a strategy and criteria for the development  
 4 and financing of new nuclear and nonnuclear power  
 5 supply sources, including a strategy for competitive  
 6 sourcing and partnering with the private sector for  
 7 the development and financing of new nuclear and  
 8 nonnuclear power facilities; and

9 (3) a strategy for managing the financing, refi-  
 10 nancing, and repayment of the existing indebtedness  
 11 of the Authority, including a specific debt repayment  
 12 schedule to which the Board is specifically com-  
 13 mitted.

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.

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