

103^D CONGRESS
1ST SESSION

H. R. 2705

To eliminate the Rural Electrification Administration.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 1993

Mr. COX (for himself, Mr. LIPINSKI, Mr. ANDREWS of New Jersey, Mr. TORKILDSEN, Mr. SHAYS, Mr. ROYCE, Mr. KING, Mr. CRANE, Mr. PORTER, and Mr. DORNAN) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To eliminate the Rural Electrification Administration.

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. REDUCTION OF LOAN SUBSIDIES AVAILABLE**

4 **FROM THE RURAL ELECTRIFICATION ADMIN-**
5 **ISTRATION.**

6 (a) REDUCTION OF LOAN SUBSIDIES.—

7 (1) IN GENERAL.—Title I of the Rural Elec-
8 trification Act of 1936 (7 U.S.C. 901–946) is
9 amended by adding at the end the following:

1 **“SEC. 19. INTEREST RATE ON LOANS AND ADVANCES**
2 **UNDER THIS ACT.**

3 “The rate of interest on any loan made on or after
4 the date of the enactment of this section, or on any ad-
5 vance made on or after such date under loan commitments
6 made at any time, under this Act, shall equal the coupon
7 equivalent yield on obligations of the Treasury of the
8 United States of comparable maturity, at the most recent
9 auction of such obligations by the Department of the
10 Treasury.”.

11 (2) CONFORMING AMENDMENTS.—

12 (A) Section 4 of such Act (7 U.S.C. 904)
13 is amended by striking “, and shall bear inter-
14 est at the rate of 2 per centum per annum”.

15 (B) Section 5 of such Act (7 U.S.C. 905)
16 is amended by striking “, and shall be at a rate
17 of interest of 2 per centum per annum”.

18 (C) Section 305 of such Act (7 U.S.C.
19 935) is amended by striking subsection (b), and
20 by redesignating subsections (c) and (d) as sub-
21 sections (b) and (c), respectively.

22 (D) Section 408(b) of such Act (7 U.S.C.
23 948(b)) is amended by striking paragraph (3),
24 and by redesignating paragraphs (4) through
25 (8) as paragraphs (3) through (7), respectively.

1 (b) ELIGIBILITY OF NEEDY ELECTRIC GENERATION
2 AND TRANSMISSION COOPERATIVES FOR LOAN SUB-
3 SIDIES.—Section 306(a)(15) of the Consolidated Farm
4 and Rural Development Act (7 U.S.C. 1926(a)(15)) is
5 amended by adding at the end the following:

6 “(E) The Secretary may make loans, not to exceed
7 \$1,000,000 for any single loan, to any cooperative associa-
8 tion for the supply and distribution of electric power if
9 the Secretary determines that the association cannot ob-
10 tain sufficient credit elsewhere from reliable sources at
11 reasonable rates and terms for such purposes.”.

12 (c) EFFECTIVE DATE.—This section shall take effect
13 on the date of the enactment of this Act.

14 **SEC. 2. ELIMINATION OF RURAL ELECTRIFICATION ADMIN-**
15 **ISTRATION.**

16 (a) REPEAL OF RURAL ELECTRIFICATION ACT OF
17 1936.—The Rural Electrification Act of 1936 (7 U.S.C.
18 901–950b) is repealed.

19 (b) EFFECT ON EXISTING CONTRACTS.—

20 (1) IN GENERAL.—Except as provided in para-
21 graph (2), the repeal made by subsection (a) shall
22 not be construed to permit the violation of any con-
23 tract entered into before the effective date of this
24 section.

1 (2) SALE OF OUTSTANDING LOANS.—During
2 the 5-year period that begins on the effective date of
3 this section, the Secretary of Agriculture shall sell to
4 private investors all interests of the United States in
5 the outstanding loans made under the Rural Elec-
6 trification Act of 1936, for cash only, on the most
7 favorable terms to the Federal Government that are
8 then obtainable.

9 (c) REFERENCES.—Any reference in any law to the
10 Administrator of the Rural Electrification Administration
11 is deemed to be a reference to the Secretary of Agri-
12 culture.

13 (d) EFFECTIVE DATE.—This section shall take effect
14 2 years after the date of the enactment of this Act.

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