103D CONGRESS
2D SESSION

H. R. 3790

To protect rural electric borrowers.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1994

Ms. LONG (for herself, Mr. SKELTON, and Mr. GUNDERSON) introduced the following bill; which was referred to the Committee on Agriculture

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A BILL

To protect rural electric borrowers.

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. SHORT TITLE.**

4   This Act may be cited as the ''Rural Consumer Pro-

5 tection Act of 1994''.

6 **SEC. 2. PROTECTION OF RURAL ELECTRIC BORROWERS.**

7   The Rural Electrification Act of 1936 (7 U.S.C. 901

8 et seq.) is amended by inserting after section 16 the fol-

9 lowing:

1 **"SEC. 17. PROHIBITION AGAINST CURTAILMENT OR LIMITA-**

2   **TION OF SERVICES OF ELECTRIC BORROW-**

3   **ERS.**

4   ''(a) IN GENERAL.—Except as provided in subsection

5 (b) of this section, section 306(b) of the Consolidated

6 Farm and Rural Development Act shall apply to a bor-

7 rower of an electric loan made or guaranteed under this

8 Act in the same manner in which such section applies to

9 an association referred to in such section.

10   ''(b) EXCEPTIONS.—

11   ''(1) WAIVER BY THE BORROWER.—A borrower

12   of an electric loan made or guaranteed under this

13   Act may agree to waive part or all of the protection

14   afforded by subsection (a).

15   ''(2) PUBLIC INTEREST.—

16   ''(A) IMPARTIAL FINDING.—A municipality

17   may curtail or limit the ability of a borrower of

18   a loan made or guaranteed under this Act to

19   provide electric service if an independent third

20   party, pursuant to this paragraph, determines

21   that the curtailment or limitation—

22   ''(i) is in the public interest;

23   ''(ii) will benefit consumers residing in

24   the area in which the curtailment or limi-

25   tation is to be imposed; and

1   "(iii) will not adversely impact con-

2   sumers residing outside the area.

3   "(B) USE OF INDEPENDENT THIRD

4   PARTY.—If a borrower of a loan made or guar-

5   anteed under this Act does not agree to a re-

6   quest of a municipality to curtail or limit the

7   ability of the borrower to provide electric serv-

8   ice, the municipality may request the Governor

9   of the State to select an independent third

10   party to make the determination described in

11   subparagraph (A).

12   "(C) SELECTION OF INDEPENDENT THIRD

13   PARTY.—Upon receipt of a request under sub-

14   paragraph (B), the Governor shall select as the

15   independent third party—

16   "(i) the public utility commission of

17   the State if the public utility commission is

18   authorized under State law to make the re-

19   quested determination; or

20   "(ii) any entity (including the public

21   utility commission of the State) qualified

22   to make the requested determination if the

23   Governor determines that the public utility

24   commission is not authorized under State

25   law to make the requested determination.

1   ''(D) DETERMINATION OF INDEPENDENT

2   THIRD PARTY IS BINDING.—Any determination

3   made by an independent third party selected in

4   accordance with subparagraph (C) with respect

5   to a request of a municipality to curtail or limit

6   the ability of a borrower to provide electric

7   service shall be binding upon the borrower and

8   the municipality.

9   ''(c) INTERPRETIVE RULE.—Subsection (a) shall not

10 be construed to prevent a municipality from imposing a

11 usual, customary, and nondiscriminatory fee on a bor-

12 rower of a loan made or guaranteed under this Act.''.

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