

104TH CONGRESS
1ST SESSION

H. R. 403

To repeal the Rural Electrification Act of 1936, require the sale of all loans made under such Act, and authorize the Secretary of Agriculture to make loans to electric generation and transmission cooperatives which are unable to obtain needed financing in the private sector.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. ZIMMER introduced the following bill; which was referred to the
Committee on Agriculture

A BILL

To repeal the Rural Electrification Act of 1936, require the sale of all loans made under such Act, and authorize the Secretary of Agriculture to make loans to electric generation and transmission cooperatives which are unable to obtain needed financing in the private sector.

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. REPEAL OF RURAL ELECTRIFICATION ACT OF**
4 **1936.**

5 (a) REPEAL.—The Rural Electrification Act of 1936
6 (7 U.S.C. 901–950b) is hereby repealed.

1 (b) NO EFFECT ON EXISTING CONTRACTS.—The re-
2 peal made by subsection (a) shall not be construed to per-
3 mit the violation of any contract entered into before the
4 enactment of this Act.

5 (c) REFERENCES.—Any reference in any law to the
6 Administrator of the Rural Electrification Administration
7 is deemed to be a reference to the Secretary of Agri-
8 culture.

9 **SEC. 2. SALE OF OUTSTANDING LOANS.**

10 Notwithstanding any other provision of law, not later
11 than the end of the 3-year period that begins with the
12 date of the enactment of this Act, the Secretary of Agri-
13 culture shall sell to private investors all interests of the
14 United States in the loans made under the Rural Elec-
15 trification Act of 1936 before the enactment of this Act
16 that are outstanding at the time of the sale, for cash only,
17 on the most favorable terms to the Federal Government
18 that are then obtainable.

19 **SEC. 3. LOANS FOR CERTAIN ELECTRIC GENERATION AND**
20 **TRANSMISSION COOPERATIVES.**

21 Section 306(a)(15) of the Consolidated Farm and
22 Rural Development Act (7 U.S.C. 1926(a)(15)) is amend-
23 ed by adding at the end the following:

24 “(E) The Secretary may make loans, not to exceed
25 \$1,000,000 for any single loan, to any cooperative associa-

1 tion for the supply and distribution of electric power if
2 the Secretary determines that the association cannot ob-
3 tain sufficient credit elsewhere from reliable sources at
4 reasonable rates and terms for such purposes.’’.

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