

United States Senate

WASHINGTON, DC 20510

May 17, 2019

The Honorable Mick Mulvaney
Director
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Dear Director Mulvaney:

We write to oppose the proposal in the Administration's Fiscal Year 2020 Budget to sell off federal electric transmission assets and change cost-based rates of the federal Power Marketing Administrations (PMAs).

The PMAs, the Southeastern Power Administration, the Southwestern Power Administration, the Western Area Power Administration, and the Bonneville Power Administration, market and transmit power generated at federal hydropower dams to rural electric cooperatives and public power utilities serving customers in 34 states. They have provided reliable and affordable electric service for decades and are crucially important to rural communities in our states.

Federal power marketing is one of the few federal programs that not only pays its way, but actually provides benefits to the Federal government's balance sheet. PMA power rates are set to fully recover taxpayers' investments in the power generating capability of the dams, which is repaid with interest. In addition, federal power rates financially support the flood control, navigation, irrigation, water supply, wildlife enhancement, recreation, and salinity control functions at these multipurpose federal dams. In many cases, Federal water projects would not have been built but for the anticipated revenue associated with the sale of the power that is generated.

The PMAs, except for the Southeastern Power Administration, also own and operate thousands of miles of high-voltage transmission lines. These transmission facilities serve as a backbone of the electric grid in our states. The sale of these PMA transmission assets would threaten the integration of these facilities with the PMAs' power marketing responsibilities, raising rates and impairing grid reliability.

Sale of the PMAs transmission facilities would not advance the President's infrastructure objectives. In fact, privatization of existing assets will sideline capital that could be used for new infrastructure investments. Moreover, any private entity buying PMA assets will want to recover their investment. The resulting rate increases would take money out of the pockets of consumers and businesses in our states.

Through the years, the PMAs adapted to changing market conditions and there remains room for continued improvement. We want to work with the Administration to ensure federal electric transmission and power marketing continue to deliver value to consumers and the federal government.

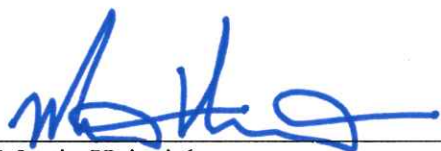
Sincerely,



Maria Cantwell
United States Senator



James E. Risch
United States Senator



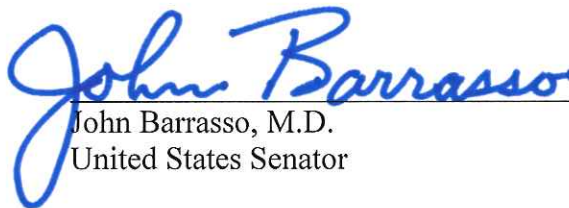
Martin Heinrich
United States Senator



Amy Klobuchar
United States Senator



Mike Crapo
United States Senator



John Barrasso, M.D.
United States Senator



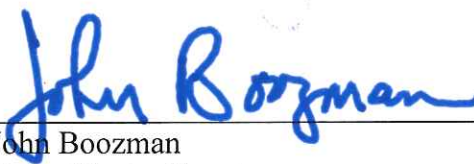
Tina Smith
United States Senator



Martha McSally
United States Senator



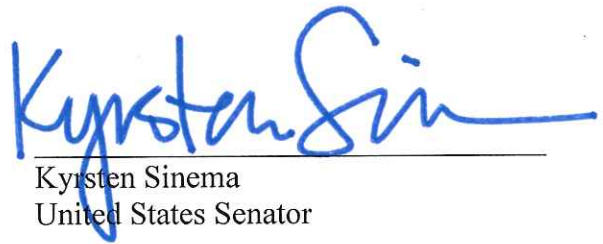
Ron Wyden
United States Senator



John Boozman
United States Senator



John Hoeven
United States Senator



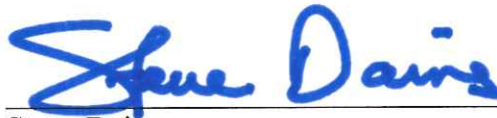
Kyrsten Sinema
United States Senator



Catherine Cortez Masto
United States Senator



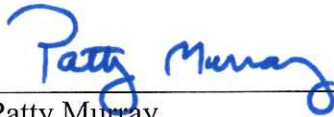
Kevin Cramer
United States Senator



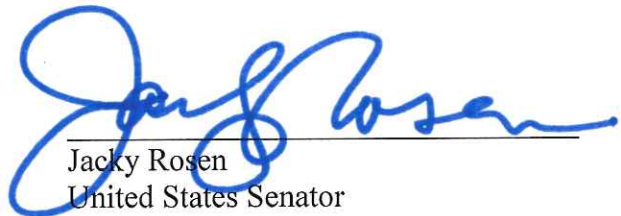
Steve Daines
United States Senator



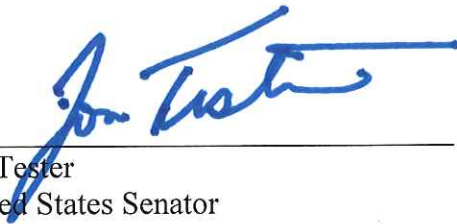
Jeffrey A. Merkley
United States Senator



Patty Murray
United States Senator



Jacky Rosen
United States Senator



Jon Tester
United States Senator



Kamala Harris
United States Senator

Cc:
Rick Perry, Secretary, Department of Energy