

Text of Letter to Senate Agriculture Appropriations Subcommittee Chairs and RM re funding for FY21 Rural Utility Services (RUS) Loans.

Dear Chairman Hoeven and Ranking Member Merkley:

As you consider the fiscal year 2021 Agriculture Appropriations bill, we write to express our strong support for funding Rural Utility Service (RUS) Electric Loans at the same level as last year.

Consumer-owned, not-for-profit electric cooperatives generate less than five percent of the nation's electric power but maintain nearly half the nation's electric distribution lines. Electric cooperatives' distribution systems cover 56 percent of this country's land mass while serving 12 percent of American electric consumers. Electric cooperatives use RUS Electric Loans to finance electricity distribution, transmission, and generation to provide affordable, reliable electric service to approximately 42 million people every day.

As you know, these loans are repaid with interest and have an extraordinary track record of repayment. RUS Electric Loans also contribute to deficit reduction. In fiscal year 2019 alone, electric loan repayments netted \$219 million to the U.S. Treasury.

We also urge that RUS lending continue to be driven by the needs of the borrower rather than limiting the types of projects eligible. This flexibility will help meet the diverse challenges of RUS electric borrowers and ensure loans are available to support distribution projects, transmission projects, environmental upgrades to current generation, the construction of renewable or natural gas generation, or the development of new baseload generation.

Lowering the U.S. deficit and keeping consumer co-op consumers' electric bills affordable are mutually beneficial goals we can all support. Thank you for your consideration of our request.

Sincerely,
Inhofe/Tester