

United States Senate

WASHINGTON, DC 20510

May 26, 2011

The Honorable Herb Kohl

Chairman, Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies

129 Dirksen Senate Office Building

Washington, DC 20510

The Honorable Roy Blunt

Ranking Member, Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies

190 Dirksen Senate Office Building

Washington, DC 20510

Dear Chairman Kohl and Ranking Member Blunt:

We write today to convey the vital role of Rural Utilities Service (RUS) electric loans in maintaining strong electricity infrastructure throughout the country. As you consider the fiscal year 2012 Agriculture Appropriations bill, we urge you to maintain the same RUS electric loan levels that have been in place since fiscal year 2008. We also ask that the Committee recognize the importance of a broad-based domestic energy supply and support RUS in financing the full range of cost-effective electric generation.

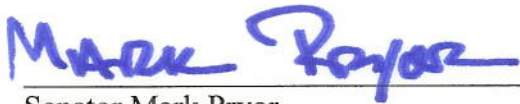
Consumer-owned, not-for-profit electric cooperatives generate less than five percent of the nation's electric power but maintain nearly half the nation's electric distribution lines. Electric cooperatives' distribution systems cover 75 percent of this country's land mass while serving 12 percent of American electric consumers. Electric cooperatives use RUS Electric Loans to finance electricity generation and distribution and 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 2012 alone, electric loan repayments will net more than \$100 million to the U.S. Treasury.

The President's Budget recommends that portions of the total loan amount be directed toward specific purposes. Instead, we suggest RUS lending continue to be driven by the needs of the borrower, rather than limited by the type of project proposed. This flexibility will help meet the diverse challenges of RUS electric borrowers and ensure loans are available whether the project is for 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 electric bills affordable are mutually beneficial goals we can all support. Thank you for your consideration of our request.

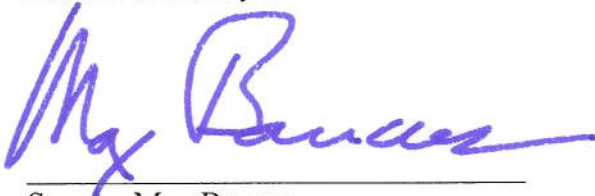
Sincerely,



Senator Mark Pryor



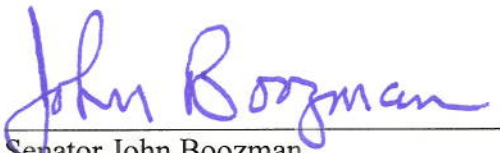
Senator John Barrasso



Senator Max Baucus



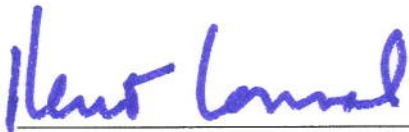
Senator Mark Begich



Senator John Boozman



Senator Richard Burr



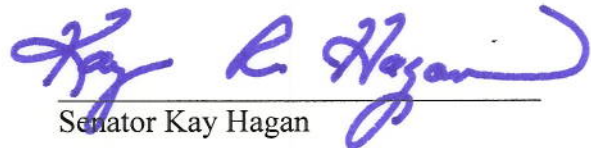
Senator Kent Conrad




Senator Mike Enzi



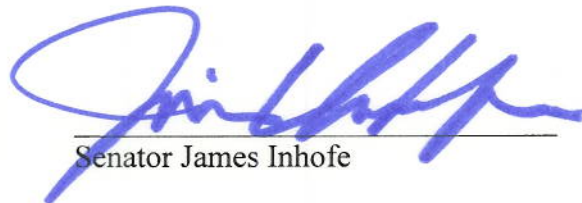
Senator Charles Grassley



Senator Kay Hagan



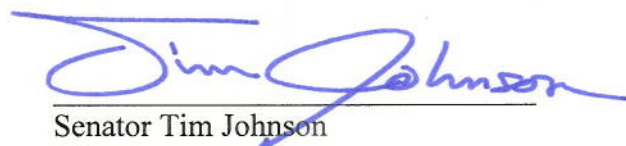
Senator Tom Harkin



Senator James Inhofe



Senator Johnny Isakson



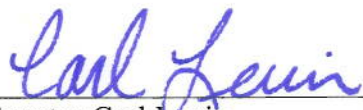
Senator Tim Johnson



Senator Amy Klobuchar



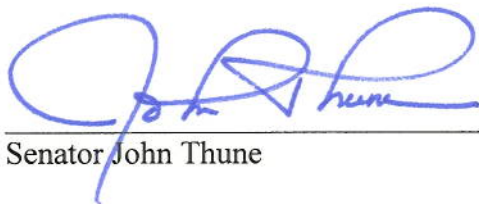
Senator Mary Landrieu



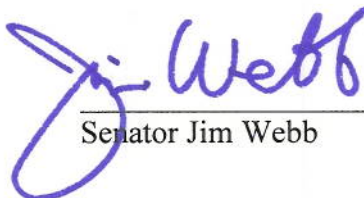
Senator Carl Levin



Senator Claire McCaskill



Senator John Thune



Senator Jim Webb



Senator Ron Wyden



Senator John Hoeven