

shameless, shameless seniors organizations who pray on the fear of seniors to swell their membership and get contributions and be able to fund their lobbyists and TV commercials and continue to go out there and feed on this frenzy. I hope the American public and seniors can see through this. It is a scare tactic that should not succeed. See through this. See that there is a problem, and see that those who want to tackle the problem now are doing it because we care, not because we want to destroy a program.

I yield the floor.

The PRESIDING OFFICER. Under a previous order, the Senator from Montana is recognized to speak for up to 10 minutes.

(The remarks of Mr. BURNS pertaining to the introduction of S. 745 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. CAMPBELL. Mr. President, there will be several people this morning who have reserved time to speak on the potential sale of the Power Marketing Administrations.

I ask unanimous consent to also speak on this issue during morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPPOSE SALE OF PMA'S

Mr. CAMPBELL. Mr. President, I would like to add my very strong voice to that of my colleague from South Dakota, who will be speaking on this; the Senator from Montana, Senator BAUCUS; as well as Senator DASCHLE, on the potential sale of the Power Marketing Administrations that the administration has proposed.

There are a lot of things wrong with the Federal Government, very frankly, and I know we should always be looking for the functions we can privatize, that are done better in the private sector than by the Federal Government.

The American system of the Power Marketing Administrations is, in my experience and that of many of my constituents, an example of something that the Government does well in direct partnership with those folks living in rural regions of America.

The electrification of rural America is a success story because it involved a true partnership between the Federal Government and the people of rural America who rely on the electrification of the REA's to provide their power.

The partnership with the Federal Government has been a mutually beneficial one. America's rural electric cooperatives and small municipal power systems agreed to purchase the initially more expensive Federal hydropower because they understood the long-term security of a publicly owned power system.

Without the commitment to purchase the power, the system could not

have been built. The REA members and other customers pay for electricity based on the cost of providing service, retirement of the construction debt, and interest.

The system is working well, Mr. President. Those who rely on electrical power from the system are repaying the Federal Government for capital investment costs of building a system, as well as the annual operation and maintenance costs of the system.

Down the road, when the projects are paid for, these dams and facilities will be federally owned and will continue to provide significant sources of revenue to the Federal Government.

The proposal of selling off the PMA's has a great deal of uncertainty. It is clearly our goal to cut the deficit, but on the other hand, if we are simply doing things to privatize another Government function without understanding the effects of doing so, I think it is rather risky.

Is it change just for the sake of change? I hope not. If it is to maximize deficit reduction, that means we sell to the highest bidder. If we do that, clearly the highest bidder will have to raise the electric rates for rural America, and that will not do any good for those who represent the States.

The rural regions that are having the toughest economic times of anywhere must have low rural electric rates. As Congress considers a new farm bill and the probability that many vulnerable programs may be cut or eliminated, I think it would be cruel to also turn out the lights.

If, on the other hand, those who represent rural regions insist, and we will, that there be a safe prohibition placed on the rate increases if they are sold, then it seems to me we are truly in a pointless exercise, privatizing a function that most agree serves its customers well at no annual cost to the Treasury.

I want to thank my colleagues, Senator PRESSLER, Senator DASCHLE, and Senator BAUCUS, for arranging a section on which they will also speak.

I yield the floor.

PUBLIC POWER

Mr. PRESSLER. Mr. President, I rise today to express my opposition to the administration's proposal to sell the Western Area, Southwestern, and Southeastern Power Marketing Administrations—collectively known as the PMA's.

Public power serves many functions in South Dakota. As a sparsely populated State, utilities are faced with the challenge of how to get affordable electricity into small cities and communities where there are less than two people per mile of transmission line. Public power provides the solution.

In public power utilities, the only investors are the consumers. Revenues are reinvested in the community—in the form of taxes and services. And, the

low cost of power is essential to encourage economic development in small cities and towns.

Public power, purchased through the Western Area Power Administration, known as WAPA, costs South Dakotans an average of 2.5 cents less than the market rate. This allows revenue to be reinvested in additional transmission lines, and better service. The availability of hydropower from the Missouri River to rural cooperatives and municipalities have helped to stabilize rates. With 7,758 miles of transmission lines in the Pick-Sloan region, WAPA can serve 133,100 South Dakotans—without charging them an arm and a leg.

Public power has brought more than electricity to South Dakota. For example, Missouri Basin Municipal Power Agency, based in Sioux Falls, has embarked on a program offering incentives for planting trees. The goal is to plant at least one tree for each 112,500 meters in the Agency's membership territory. In fact, Missouri Basin was recognized by the Department of Energy for outstanding participation in this Global Climate Change Program. I congratulate Tom Heller of Missouri Basin for this excellent community service program.

Public power also brings new jobs to the communities it serves. In part due to the low cost of power from East River Electric, there are now three injection molding plants based in Madison, SD—creating snowmobile parts. Arctic Cat, PPD, and Falcon Plastics employ approximately 200 people in Madison.

East River also is involved in other economic development activities. It provides classes to help the community attract businesses, and offers grants for feasibility studies associated with economic development projects. South Dakota clearly has benefited from the work of Jeff Nelson, as the general manager of the East River Electric Power Cooperative.

Public power is a South Dakota success story. It is the source of innovation, development, and community pride. I am sure the same is true in other towns and communities across America. In spite of these success stories, the Clinton administration—and several Members of Congress—want to put an end to this success.

Specifically, President Clinton has proposed selling WAPA and two other power marketing administrations in order to pay for the modest tax cut he has promised the American people.

In essence, this would force South Dakotans—and public power consumers in small cities and rural areas—to cover for the rest of America.

Under the President's plan, South Dakotans would not be able to enjoy the promised tax cut. Why? Because the sale of the PMA's could result in rate increases totaling more than \$47 million.

In addition, I question the claim made by the administration that the