

While none of these proposals ultimately was successful, each created a cost for the economies which depend on PMA electric power. Electricity is the cornerstone of much of the Nation's economy, particularly in the Pacific Northwest. The high reliability and low cost of electric power provides the United States, and especially the Pacific Northwest, with a global competitive advantage which benefits the entire Nation.

As each of these proposals were made, uncertainty over the future cost of electricity was created. In the Pacific Northwest, where over half the electric power consumed is marketed by the Bonneville Power Administration, these proposals cast a cloud of uncertainty over future electric power prices. Rate increases of the magnitude contemplated by the proposals would devastate the economy of the region by discouraging investment in infrastructure, including modernization of new plants and equipment, and close factories and businesses which operate on the margin, many of which were attracted to the availability of low cost hydroelectric power in the region. The benefit of these proposals has overstated by every administration because the potential for lost tax revenue as a result of business failure or lack of investment was never taken into account.

In conclusion, Mr. President, proposals to sell off these revenue generating entities that are such fundamental importance to the local and regional economies they serve are misguided and will be opposed by this Senator. I am pleased to join with my colleagues to reinforce the importance of this issue.

I yield the floor.

Mr. CONRAD. Mr. President, I would like to speak for just a moment on this PMA matter and then direct my attention to another issue. Who controls time?

The PRESIDING OFFICER. The Chair would inquire of the Senator from North Dakota if he is speaking on the time of his colleague from North Dakota?

Mr. DORGAN. Mr. President, I ask unanimous consent the Senator from North Dakota be allowed to speak for 9 minutes in the time reserved for morning business.

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

The Senator from North Dakota is recognized for up to 9 minutes.

THE POWER MARKETING ADMINISTRATIONS

Mr. CONRAD. Mr. President, I thank the Chair and thank my colleague. I would like to speak just briefly on the PMA matter and then speak on another issue as well.

With respect to the PMA matter, I salute my colleagues who have come to the floor to oppose the sale of PMA's. Let me say I believe sale of the Power

Marketing Administrations represents a very bad idea. It is bad for rural America. It represents bad faith. It is bad economics and it is bad policy.

This would have a very serious impact on rural America. In my State we would see an increase in rates of up to 60 percent; 240,000 customers in North Dakota would be adversely affected. Those rural customers are already paying rates that are 15 to 40 percent higher than city customers. The reason for that, of course, is very obvious. There is much less of a load per mile in rural areas than in city areas, so the costs are higher.

Mr. President, this would be a very serious matter for rural America. It also represents bad faith. The Government made a deal. The deal was this power was going to go to help rural America. That is precisely why the Federal Government entered into this enterprise. Preference power, it should be emphasized, is not a subsidy. These facilities are being repaid with interest. I believe the sale also represents bad economics. Selling the PMA's would be a one-time shot. It does not reduce the deficit because their own budget rules say you cannot sell assets to reduce the deficit. So, Mr. President, selling these facilities forgo decades of steady income.

Finally, I believe the PMA sale represents bad policy. These dams serve multiple purposes. No private entity can balance the interests of power production with flood control, navigation, water supply, and wildlife values.

Mr. President, for those reasons I oppose the sale of the PMA's.

WHERE IS THE BUDGET?

Mr. CONRAD. Mr. President, today is May 3. I think it is time to start asking the question of our colleagues on the other side, where is the budget? Where is the budget? We are supposed to have completed action on the budget in the Budget Committee by April 1. Today is May 3. We still do not see a budget. I am on the Budget Committee. I still do not know when we are even going to start to work on the budget.

Mr. President, I must say I am somewhat surprised because our friends on the other side of the aisle had a budget before the election. They told the American people that they had a budget plan. They said they could cut taxes, they said they could increase defense spending, and they said they could balance the budget. But now that they have assumed power and assumed control and assumed authority, there is no budget.

Mr. President, it is amazing the difference an election makes. Before the election there was this plan. They had the Contract With America. They told everybody they had this miracle. It was not going to reveal the details but a miracle plan that was going to allow them to cut taxes dramatically, increase defense spending, and balance the budget. Now that they are in power

their plan is missing in action. Maybe it is because the plan just does not add up. This chart shows what we would need to do to balance the budget over the next 7 years. We would have to have a reduction in spending of \$1.2 trillion to begin with. Then if we were going to be true to the promise we have made to Social Security recipients, they would have to cover the \$636 billion in Social Security surpluses that are going to be generated during that 7-year period.

So now the hole to fill in is \$1.8 trillion—not million, not billion, but trillion dollars. That is real money even in Washington talk. On top of that, of course, we are going to have to cover the massive tax cuts that the House has passed, \$345 billion of tax cuts over the 7-year period. So that is the hole that we have to fill in, \$2.2 trillion.

Unfortunately, before they ever started to fill in this hole, they dug the hole deeper by passing these massive tax cuts.

Let us see what they have produced so far by way of proposals to narrow the gap between the \$2.2 trillion we need, and what they have actual done so far over in the House in terms of proposal. They are down here at a measly, anemic, \$485 billion.

Mr. President, I would say our friends on the other side of the aisle have a credibility gap that is opening up here. In fact, it is more than a gap. It is a chasm. They are \$1.6 trillion short. No wonder we do not see a budget out here. No wonder they have blown the deadline. No wonder they have not even started in the Budget Committee and they were supposed to be completed a month ago.

It is amazing. During the balanced budget amendment debate there was a rush to amend the Constitution to balance the budget. Boy, that was priority No. 1. But now when it comes time to actually do something to balance the budget, because of course, a balanced budget amendment will not cut one dime, will not add one dime of revenue, will not narrow the deficit by a dollar—now, when it comes time to actually present a budget, to actually do something about the deficit, the budget plan is nowhere to be found. This just does not add up. It does not add up, and not surprisingly our colleagues on the other side are more focused on a tax cut for the wealthiest among us than presenting a plan to reduce the deficit.

It is very interesting. If you look at who benefits from the Republican tax bill, what one finds is if you are a family of four earning over \$200,000 a year, you get an \$11,000 tax cut. If you are a family of four earning \$30,000 a year, you get \$124.

So the idea of our friends on the other side is to target tax relief in this country by giving 100 times as much to those earning over \$200,000 a year than those earning \$30,000 a year, and they call this middle-class tax relief. It is an interesting concept of the middle class.