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Vancouver, Wash. (Special)---January 13---The fourth draft of legislation to create a public regional corporation to finance and build Northwest power projects was released today by Northwest Public Power Association officials in Vancouver.

The revised bill is being submitted to the Pacific Northwest delegation in Congress with a request for introduction to permit routine hearings and obtain official suggestions of Federal agencies.

The bill creates a Columbia River Development Corporation similar to the agency established under the St. Lawrence seaway bill enacted by Congress in 1954. It would be able to issue 50-year electric revenue bonds to finance the building of electric generation and transmission facilities.

The corporation would be directed by a five-man board of Northwest residents, one elected from each of the States of Montana, Idaho, Washington and Oregon, and the chairman appointed by the President with the advice and consent of the Senate. Each would serve a four-year term at \$20,000 per year.

Actual construction of dams would be by the Corps of Engineers and Bureau of Reclamation. The functions of Bonneville Power Administration in marketing and transmitting power would be assumed by the corporation.

Marketing policies are unchanged. The bill does not concern itself with whether power is sold locally by public or private utilities. The question of retail distribution remains a matter for separate, local determination.

"The central problem in drafting the Columbia River Development Corporation bill is one of balance," according to Gus Norwood, executive secretary of the public power group. "The problem is how to meet the tests of both efficiency and democracy. The cynic holds that government cannot be efficient without dictatorship. He fears it cannot be democratic without being smothered in red tape."

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Congress met a similar problem for the St. Lawrence by enacting the St. Lawrence Seaway Development Corporation Act which was signed by President Eisenhower May 13, 1954. That law meets the test by creating a Federal corporation with the efficiency and flexibility desired and also public control by Congress. It served as a pattern for the Columbia River bill.

Under the bill the corporation is made subject to the same auditing, budgetary control and other requirements of the Government Corporation Control Act which govern the existing 51 Federal corporations. The civil service laws also apply.

"Some 400 comments and suggestions have been received on the first three drafts," Norwood said. "These generally insisted on four points: adequate power supply, lowest possible rates, democratic control and comprehensive development."

The corporation is to have financing ability to provide an adequate power supply to enable its utility distributors to meet their public utility responsibility. It is intended that the corporation serve rather than dominate.

The corporation bill avoids both the all inclusive approach of a Columbia Valley Authority and the do-nothing Interstate Compact. Instead the bill aims at a middle-of-the-road plan whereby the corporation arranges the financing and must conform to comprehensive planning but actual construction of multiple purpose projects is done by other agencies. Also the Bureau of Reclamation will operate the irrigation features and the Corps of Engineers will continue to control navigation and flood control operations.

To achieve the lowest interest rate the bill provides for the corporation to acquire the Bonneville Power Administration at the net cost to the Federal Government. This cost would be repaid under a second lien mortgage over a 50-year period.

The bonds of the corporation would be purchased by the Secretary of the Treasury during the first five years and until the bonds are "seasoned". Although the corporation is to operate on a self-liquidating basis, the principal and interest on the bonds is to be guaranteed by the Federal Government, thus further to insure the lowest possible rate of interest.

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Twenty years have elapsed since the regional public electric corporation idea was first proposed in a 192 page report largely prepared by Professor Charles McKinley of Reed College for the Pacific Northwest regional planning commission under the chairmanship of Marshall Dana. It was with this 1936 report in mind that Congress wrote into the Bonneville act of 1937, "The form of administration herein established for the Bonneville project is intended to be provisional pending the establishment of a permanent administration for Bonneville and other projects in the Columbia River Basin."

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