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Interior Comm. - Great Falls - Browning Transmission Line Contract Negotiations

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STATEMENT OF SENATOR MIKE MANSFIELD (D-MONT)

GREAT FALLS - BROWNING TRANSMISSION LINE CONTRACT NEGOTIATIONS

SENATE INTERIOR COMMITTEE

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Mr. Chairman, and distinguished colleague from Montana, I am pleased that the Senate Interior Committee has recognized its legislative oversight function and scheduled this hearing to discuss several matters involved in the negotiations surrounding the construction of a transmission line from Great Falls to Browning, Montana. Briefly, the question is whether the greatest benefit can be derived from Federal construction or a wheeling contract with a private utility. I would be grateful if you would indicate to the Chairman of the full Committee, Mr. Jackson, that the Montana Delegation sincerely appreciates the Committee's cooperation in this matter.

For a number of years the Montana Congressional Delegation has been deeply concerned about the adequacy and reliability of power supplies available to rural electric cooperatives in our State. The most crucial area is east of Glacier National Park served by Glacier Electric Cooperative. The co-op now receives power from a Bureau of Reclamation line, but it is also in an area which could be served by the Bonneville Power Administration.

Negotiations for the construction of a new transmission line have been underway for several years. If the Bureau is to maintain its capability, it will have to have a new line. As soon as it was evident that the Bureau was to seek an appropriation for the construction of a 161-kv line from Great Falls to Browning, the Montana Power Company began construction of a 115-kv line from Great Falls to Cut Bank. The funds appropriated for the Bureau for the current fiscal year include $450,000 for the agency to begin construction of the Bureau of Reclamation transmission line.
These funds have been held up at the instruction of the Appropriations Committees, which directed the Department of the Interior to attempt to negotiate a contract with the Montana Power Company which would provide adequate and reliable service to the affected cooperatives.

Several weeks ago the Department of the Interior gave indications that it was about to approve a wheeling contract. After several years of talk, the Department was giving evidence of great haste in bringing the matter to a conclusion. At the request of the affected cooperatives, we explored this matter in some detail. There were a number of items in this proposed contract which we felt were not to the best interests of all concerned. Further discussions between cooperatives, the Bureau of Reclamation, and other interested parties indicated that there were many questions left unanswered and that the wheeling agreement proposed would establish some dangerous precedents.

It was at this time that we directed our request to the Chairman of the Senate Interior Committee asking that this Committee involve itself in these negotiations. In addition, our good friend and colleague, the Senior Senator from North Dakota, Milton Young, discussed this matter with the Subcommittee on Public Works Appropriations. While I do not consider myself an expert in these matters, there are several questions which I believe should be answered and clarified.

Reliability is one of the most important issues at hand. In this age of technical advancement, we should never have to cast doubt on the reliability of any power system. I believe that the Bureau of Reclamation has a firm responsibility to see that the power needs of our electric cooperatives are protected.

I believe that the Secretary of the Interior has recognized the need for reliability in discussing the possibility of a National power grid system. I have long felt that there should be an inter-tie between the Bonneville Power Administration and the Missouri Basin. If this had been accomplished, I doubt that we would have this situation today.
The construction of a Bureau transmission line in the Great Falls - Browning area will provide necessary loop service. A wheeling agreement with the Montana Power Company service would be limited to radial lines. We all recognize the need for upgrading reliability, especially in this part of Montana where the Defense Department is beginning construction of the new Safeguard system.

While the Secretary of the Interior has expressed an interest in a National power grid, it is my understanding that the Assistant Secretary of the Interior, James Smith, has rejected proposals to bring the Bonneville Power Administration east of the Continental Divide. I am not aware of any prohibition because at the present time power from the Hungry Horse project can be made available to the entire State of Montana under the Mansfield-Hungry Horse Act. Power from the Hungry Horse project is marketed by the Bonneville Power Administration.

In reviewing the negotiations of the past several weeks, another problem that concerns me greatly is a weakening of the territorial integrity guarantees to the co-ops of this area. A contract with the private utility would definitely be an infringement on the territorial integrity of the Glacier Electric Cooperative, forcing the co-op to be dependent upon a competing private utility for its future sources of power. Only last month the Administrator of the Rural Electrification Administration, David Hamil, reaffirmed his support of the concept of territorial integrity for rural electric cooperatives. It is essential that the Department of the Interior do the same. An infringement on the territorial integrity of the co-ops in this part of Montana would raise serious questions of anti-trust violations and monopolies.

One concluding item which I would like to discuss briefly is planning. Planning has become a very important element in all development, both within the Federal Government and private enterprise. In reviewing the negotiations being discussed today, it appears that very little consideration has been given to planning.
In fact, until Assistant Secretary Smith's recent appearance before the Senate Subcommittee on Public Works Appropriations, no consideration was given to inclusion of the cooperatives in future planning of their power needs, should an agreement be reached with the Montana Power Company. I would also like to ask whether, during this several year period of negotiations, the Department of the Interior has consulted with other interested Federal agencies, namely, the Department of Justice, the Department of Defense, the Federal Power Commission, the Rural Electrification Administration and the Bonneville Power Administration. Surely, these agencies should have been included or consulted at some point. Any agreement approved by the Department and the Bureau of Reclamation should include planning on the part of all parties---the customers, the Bonneville Power Administration, and the utilities.

Mr. Chairman, in conclusion, I wish to express the desire that this hearing clear up a number of unanswered questions so that the Committee on the Interior can advise and counsel the Department before it resumes negotiations in making a decision on a wheeling contract with the Montana Power Company or the construction of a Federal transmission line between Great Falls and Browning, Montana.

Mr. Chairman, I ask that copies of correspondence with the Department be included in the record of this hearing at the conclusion of my remarks.