

107TH CONGRESS
1ST SESSION

S. 1288

To amend the Tennessee Valley Authority Act of 1933 to modify provisions relating to the Board of Directors of the Tennessee Valley Authority, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2001

Mr. SHELBY (for himself and Mr. SESSIONS) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To amend the Tennessee Valley Authority Act of 1933 to modify provisions relating to the Board of Directors of the Tennessee Valley Authority, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CHANGE IN COMPOSITION, OPERATION, AND**
4 **DUTIES OF THE BOARD OF DIRECTORS OF**
5 **THE TENNESSEE VALLEY AUTHORITY.**

6 (a) IN GENERAL.—The Tennessee Valley Authority
7 Act of 1933 (16 U.S.C. 831 et seq.) is amended by strik-
8 ing section 2 and inserting the following:

1 **“SEC. 2. MEMBERSHIP, OPERATION, AND DUTIES OF THE**
2 **BOARD OF DIRECTORS.**

3 “(a) MEMBERSHIP.—

4 “(1) APPOINTMENT.—The Board of Directors
5 of the Corporation (referred to in this Act as the
6 ‘Board’) shall be composed of 14 members appointed
7 by the President by and with the advice and consent
8 of the Senate.

9 “(2) COMPOSITION.—The Board shall be com-
10 posed of 14 members, of whom—

11 “(A) 2 members shall be residents of Ala-
12 bama;

13 “(B) 2 members shall be residents of Geor-
14 gia;

15 “(C) 2 members shall be residents of Ken-
16 tucky;

17 “(D) 2 members shall be residents of Mis-
18 sissippi;

19 “(E) 2 members shall be residents of
20 North Carolina;

21 “(F) 2 members shall be residents of Ten-
22 nessee; and

23 “(G) 2 members shall be residents of Vir-
24 ginia.

25 “(b) QUALIFICATIONS.—

1 “(1) IN GENERAL.—To be eligible to be ap-
 2 pointed as a member of the Board, an individual—

3 “(A) shall be a citizen of the United
 4 States;

5 “(B) shall not be an employee of the Cor-
 6 poration;

7 “(C) shall have no substantial direct finan-
 8 cial interest in—

9 “(i) any public-utility corporation en-
 10 gaged in the business of distributing and
 11 selling power to the public; or

12 “(ii) any business that may be ad-
 13 versely affected by the success of the Cor-
 14 poration as a producer of electric power;
 15 and

16 “(D) shall profess a belief in the feasibility
 17 and wisdom of this Act.

18 “(2) PARTY AFFILIATION.—Not more than 8 of
 19 the 14 members of the Board may be affiliated with
 20 a single political party.

21 “(c) TERMS.—

22 “(1) IN GENERAL.—A member of the Board
 23 shall serve a term of 4 years except that in first
 24 making appointments after the date of enactment of
 25 this paragraph, the President shall appoint—

1 “(A) 5 members to a term of 2 years;

2 “(B) 6 members to a term of 3 years; and

3 “(C) 3 members to a term of 4 years.

4 “(2) VACANCIES.—A member appointed to fill a
5 vacancy in the Board occurring before the expiration
6 of the term for which the predecessor of the member
7 was appointed shall be appointed for the remainder
8 of that term.

9 “(3) REAPPOINTMENT.—

10 “(A) IN GENERAL.—A member of the
11 Board that was appointed for a full term may
12 be reappointed for 1 additional term.

13 “(B) APPOINTMENT TO FILL VACANCY.—
14 For the purpose of subparagraph (A), a mem-
15 ber appointed to serve the remainder of the
16 term of a vacating member for a period of more
17 than 2 years shall be considered to have been
18 appointed for a full term.

19 “(d) QUORUM.—

20 “(1) IN GENERAL.—Eight members of the
21 Board shall constitute a quorum for the transaction
22 of business.

23 “(2) MINIMUM NUMBER OF MEMBERS.— A va-
24 cancy in the Board shall not impair the power of the

1 Board to act, so long as there are 8 members in of-
2 fice.

3 “(e) COMPENSATION.—

4 “(1) IN GENERAL.—A member of the Board
5 shall be entitled to receive—

6 “(A) a stipend of \$30,000 per year; and

7 “(B) travel expenses, including per diem in
8 lieu of subsistence, in the same manner as per-
9 sons employed intermittently in Government
10 service under section 5703 of title 5, United
11 States Code.

12 “(2) ADJUSTMENTS IN STIPENDS.—The
13 amount of the stipend under paragraph (1)(A) shall
14 be adjusted by the same percentage, at the same
15 time and manner, and subject to the same limita-
16 tions as are applicable to adjustments under section
17 5318 of title 5, United States Code.

18 “(f) CHIEF EXECUTIVE OFFICER.—

19 “(1) APPOINTMENT.—The President, by and
20 with the advice and consent of the Senate, shall ap-
21 point a person to serve as chief executive officer of
22 the Corporation.

23 “(2) QUALIFICATIONS.—To serve as chief exec-
24 utive officer of the Corporation, a person—

1 “(A) shall be a citizen of the United
2 States;

3 “(B) shall have proven management expe-
4 rience in large, complex organizations;

5 “(C) shall not be a current member of the
6 Board or have served as a member of the Board
7 within 2 years before being appointed chief ex-
8 ecutive officer; and

9 “(D) shall have no substantial direct finan-
10 cial interest in—

11 “(i) any public-utility corporation en-
12 gaged in the business of distributing and
13 selling power to the public; or

14 “(ii) any business that may be ad-
15 versely affected by the success of the Cor-
16 poration as a producer of electric power;
17 and

18 “(3) TERM.—

19 “(A) IN GENERAL.—The chief executive of-
20 ficer shall serve for a term of 4 years.

21 “(B) REAPPOINTMENT.—The chief execu-
22 tive officer may be reappointed for additional
23 terms.

24 “(4) COMPENSATION.—

1 “(A) IN GENERAL.—The chief executive of-
 2 ficer shall be entitled to receive—

3 “(i) compensation at a rate that does
 4 not exceed the annual rate of pay pre-
 5 scribed under Level III of the Executive
 6 Schedule under section 5315 of title 5,
 7 United States Code; and

8 “(ii) reimbursement from the Cor-
 9 poration for travel expenses, including per
 10 diem in lieu of subsistence, while away
 11 from home or regular place of business of
 12 the chief executive officer in the perform-
 13 ance of the duties of the chief executive of-
 14 ficer.”.

15 (b) CURRENT BOARD MEMBERS.—A member of the
 16 board of directors of the Tennessee Valley Authority who
 17 was appointed before the effective date of the amendment
 18 made by subsection (a)—

19 (1) shall continue to serve as a member until
 20 the date of expiration of the member’s current term;
 21 and

22 (2) may not be reappointed.

23 **SEC. 3. EFFECTIVE DATE.**

24 The amendments made by this Act take effect, and
 25 the additional members of the Board of the Tennessee

- 1 Valley Authority and Chief Executive Officer shall be ap-
- 2 pointed so as to commence their terms on, the date that
- 3 is 90 days after the date of enactment of this Act.

