

Public Law 86-136

AN ACT

August 4, 1959
[H. R. 5927]

To authorize the conveyance to the city of Warner Robins, Georgia, of about 29 acres of land comprising a part of Robins Air Force Base.

Warner Robins,
Ga.
Conveyance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Air Force is authorized and directed to convey to the city of Warner Robins, Georgia, at the fair market value as determined by the Secretary of the Air Force, all the right, title, and interest of the United States in and to approximately 29 acres of land comprising a part of the Robins Air Force Base, including improvements which may be located thereon at the time of the conveyance, as outlined in red on Robins Air Force Base map, sheet 1 of drawing numbered 8-58-105 dated October 16, 1958, on file at Robins Air Force Base, Georgia.

Right-of-way.

SEC. 2. The conveyance authorized by this Act shall be subject to the retention by the United States of a right-of-way for utility lines in and over the land herein authorized to be conveyed.

Terms and con-
ditions.

SEC. 3. The Secretary of the Air Force may include in the deed of conveyance authorized under this Act such terms and conditions as he considers to be in the public interest.

Approved August 4, 1959.

Public Law 86-137

AN ACT

August 6, 1959
[H. R. 3460]

To amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes.

TVA.
Self-financing.

16 USC 831h-2.

53 Stat. 1083.

Bonds, notes,
etc.
Issuance and
sale.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last three paragraphs under the subtitle "Independent Agencies and Corporations" in title II of the Government Corporations Appropriation Act, 1948 (61 Stat. 576-577), are hereby repealed; and the Tennessee Valley Authority Act of 1933, as amended, is hereby amended by inserting immediately after section 15c thereof (16 U.S.C. 831n-3) the following new section:

"SEC. 15d. (a) The Corporation is authorized to issue and sell bonds, notes, and other evidences of indebtedness (hereinafter collectively referred to as 'bonds') in an amount not exceeding \$750,000,000 outstanding at any one time to assist in financing its power program and to refund such bonds. The Corporation may, in performing functions authorized by this Act, use the proceeds of such bonds for the construction, acquisition, enlargement, improvement, or replacement of any plant or other facility used or to be used for the generation or transmission of electric power (including the portion of any multiple-purpose structure used or to be used for power generation); as may be required in connection with the lease, lease-purchase, or any contract for the power output of any such plant or other facility; and for other purposes incidental thereto. Unless otherwise specifically authorized by Act of Congress the Corporation shall make no contracts for the sale or delivery of power which would have the effect of making the Corporation or its distributors, directly or indirectly, a source of power supply outside the area for which the Corporation or its distributors were the primary source of power supply on July 1, 1957,

and such additional area extending not more than five miles around the periphery of such area as may be necessary to care for the growth of the Corporation and its distributors within said area: *Provided, however,* That such additional area shall not in any event increase by more than 2½ per centum (or two thousand square miles, whichever is the lesser) the area for which the Corporation and its distributors were the primary source of power supply on July 1, 1957: *And provided further,* That no part of such additional area may be in a State not now served by the Corporation or its distributors or in a municipality receiving electric service from another source on or after July 1, 1957, and no more than five hundred square miles of such additional area may be in any one State now served by the Corporation or its distributors.

“Nothing in this subsection shall prevent the Corporation or its distributors from supplying electric power to any customer within any area in which the Corporation or its distributors had generally established electric service on July 1, 1957, and to which electric service was not being supplied from any other source on the effective date of this Act.

“Nothing in this subsection shall prevent the Corporation, when economically feasible, from making exchange power arrangements with other power-generating organizations with which the Corporation had such arrangements on July 1, 1957, nor prevent the Corporation from continuing to supply power to Dyersburg, Tennessee, and Covington, Tennessee, or from entering into contracts to supply or from supplying power to the cities of Paducah, Kentucky; Princeton, Kentucky; Glasgow, Kentucky; Fulton, Kentucky; Monticello, Kentucky; Hickman, Kentucky; Chickamauga, Georgia; Ringgold, Georgia; Oak Ridge, Tennessee; and South Fulton, Tennessee; or agencies thereof; or from entering into contracts to supply or from supplying power for the Naval Auxiliary Air Station in Lauderdale and Kemper Counties, Mississippi, through the facilities of the East Mississippi Electric Power Association: *Provided further,* That nothing herein contained shall prevent the transmission of TVA power to the Atomic Energy Commission or the Department of Defense or any agency thereof, on certification by the President of the United States that an emergency defense need for such power exists. Nothing in this Act shall affect the present rights of the parties in any existing lawsuits involving efforts of towns in the same general area where TVA power is supplied to obtain TVA power.

“The principal of and interest on said bonds shall be payable solely from the Corporation’s net power proceeds as hereinafter defined. Net power proceeds are defined for purposes of this section as the remainder of the Corporation’s gross power revenues after deducting the costs of operating, maintaining, and administering its power properties (including costs applicable to that portion of its multiple-purpose properties allocated to power) and payments to States and counties in lieu of taxes but before deducting depreciation accruals or other charges representing the amortization of capital expenditures, plus the net proceeds of the sale or other disposition of any power facility or interest therein, and shall include reserve or other funds created from such sources. Notwithstanding the provisions of section 26 of this Act or any other provision of law, the Corporation may pledge and use its net power proceeds for payment of the principal of and interest on said bonds, for purchase or redemption thereof, and for other purposes incidental thereto, including creation of reserve funds and other funds which may be similarly pledged and used, to such extent and in such manner as it may deem necessary or desirable. The Corporation is authorized to enter into binding covenants with

Exchange arrangements, etc.

Net power proceeds.

49 Stat. 1079.
16 USC 831y.

the holders of said bonds—and with the trustee, if any—under any indenture, resolution, or other agreement entered into in connection with the issuance thereof (any such agreement being hereinafter referred to as a 'bond contract') with respect to the establishment of reserve funds and other funds, adequacy of charges for supply of power, application and use of net power proceeds, stipulations concerning the subsequent issuance of bonds or the execution of leases or lease-purchase agreements relating to power properties, and such other matters, not inconsistent with this Act, as the Corporation may deem necessary or desirable to enhance the marketability of said bonds.

The issuance and sale of bonds by the Corporation and the expenditure of bond proceeds for the purposes specified herein, including the addition of generating units to existing power-producing projects and the construction of additional power-producing projects, shall not be subject to the requirements or limitations of any other law: *Provided*, That, with the budget estimates transmitted by the President to the Congress, the President shall transmit the power construction program of the Corporation as presented to him and recommended by the Corporation, together with any recommendation he may deem appropriate.

"Bond contract."

Exception.

Post, p. 338.
Report to Congress.

Restriction.

"Neither bond proceeds nor power revenues received by the Corporation shall be used to initiate the construction of new power producing projects (except for replacement purposes and except the first such project begun after the effective date of this section) until the construction program of the Corporation shall have been before Congress in session for ninety calendar days. In the absence of any modifying action by a concurrent resolution of the Congress within the ninety days, such projects will be deemed to have Congressional approval.

Restriction.

"(b) Bonds issued by the Corporation hereunder shall not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the United States. Proceeds realized by the Corporation from issuance of such bonds and from power operations and the expenditure of such proceeds shall not be subject to apportionment under the provisions of Revised Statutes 3679, as amended (31 U.S.C. 665).

Sale.
Terms, rates,
method, etc.

"(c) Bonds issued by the Corporation under this section shall be negotiable instruments unless otherwise specified therein, shall be in such forms and denominations, shall be sold at such times and in such amounts, shall mature at such time or times not more than fifty years from their respective dates, shall be sold at such prices, shall bear such rates of interest, may be redeemable before maturity at the option of the Corporation in such manner and at such times and redemption premiums, may be entitled to such relative priorities of claim on the Corporation's net power proceeds with respect to principal and interest payments, and shall be subject to such other terms and conditions, as the Corporation may determine: *Provided*, That at least fifteen days before selling each issue of bonds hereunder (exclusive of any commitment shorter than one year) the Corporation shall advise the Secretary of the Treasury as to the amount, proposed date of sale, maturities, terms and conditions and expected rates of interest of the proposed issue in the fullest detail possible and, if the Secretary shall so request, shall consult with him or his designee thereon, but the sale and issuance of such bonds shall not be subject to approval by the Secretary of the Treasury except as to the time of issuance and the maximum rates of interest to be borne by the bonds: *Provided further*, That if the Secretary of the Treasury does not approve a proposed issue of bonds hereunder within seven working days following the date on which he is advised of the proposed sale, the Corporation may issue to the Secretary interim obligations in the amount of the pro-

posed issue, which the Secretary is directed to purchase. In case the Corporation determines that a proposed issue of bonds hereunder cannot be sold on reasonable terms, it may issue to the Secretary interim obligations which the Secretary is authorized to purchase. Notwithstanding the foregoing provisions of this subsection, obligations issued by the Corporation to the Secretary shall not exceed \$150,000,000 outstanding at any one time, shall mature on or before one year from date of issue, and shall bear interest equal to the average rate (rounded to the nearest one-eighth of a percent) on outstanding marketable obligations of the United States with maturities from dates of issue of one year or less as of the close of the month preceding the issuance of the obligations of the Corporation. If agreement is not reached within eight months concerning the issuance of any bonds which the Secretary has failed to approve, the Corporation may nevertheless proceed to sell such bonds on any date thereafter without approval by the Secretary in amount sufficient to retire the interim obligations issued to the Treasury and such interim obligations shall be retired from the proceeds of such bonds. For the purpose of any purchase of the Corporation's obligations the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the Corporation's obligations hereunder. The Corporation may sell its bonds by negotiation or on the basis of competitive bids, subject to the right, if reserved, to reject all bids; may designate trustees, registrars, and paying agents in connection with said bonds and the issuance thereof; may arrange for audits of its accounts and for reports concerning its financial condition and operations by certified public accounting firms (which audits and reports shall be in addition to those required by sections 105 and 106 of the Act of December 6, 1945 (59 Stat. 599; 31 U.S.C. 850-851), may, subject to any covenants contained in any bond contract, invest the proceeds of any bonds and other funds under its control which derive from or pertain to its power program in any securities approved for investment of national bank funds and deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve Bank or bank having membership in the Federal Reserve System; and may perform such other acts not prohibited by law as it deems necessary or desirable to accomplish the purposes of this section. Bonds issued by the Corporation hereunder shall contain a recital that they are issued pursuant to this section, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such bonds and of their validity. The annual report of the Board filed pursuant to section 9 of this Act shall contain a detailed statement of the operation of the provisions of this section during the year.

"(d) Bonds issued by the Corporation hereunder shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the United States. The Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the bonds of the Corporation acquired by them under this section. Bonds issued by the Corporation hereunder shall be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes.

"(e) From net power proceeds in excess of those required to meet the Corporation's obligations under the provisions of any bond or

40 Stat. 288.
31 USC 774.

Report.
48 Stat. 63.
16 USC 831h.

State or local tax
exemption.

Excess pro-
ceeds.

bond contract, the Corporation shall, beginning with fiscal year 1961, make payments into the Treasury as miscellaneous receipts on or before December 31 and June 30, of each fiscal year as a return on the appropriation investment in the Corporation's power facilities, plus a repayment sum of not less than \$10,000,000 for each of the first five fiscal years, \$15,000,000 for each of the next five fiscal years, and \$20,000,000 for each fiscal year thereafter, which repayment sum shall be applied to reduction of said appropriation investment until a total of \$1,000,000,000 of said appropriation investment shall have been repaid. The said appropriation investment shall consist, in any fiscal year, of that part of the Corporation's total investment assigned to power as of the beginning of the fiscal year (including both completed plant and construction in progress) which has been provided from appropriations or by transfers of property from other Government agencies without reimbursement by the Corporation, less repayments of such appropriation investment made under title II of the Government Corporations Appropriation Act, 1948, this Act, or other applicable legislation. The payment as a return on the appropriation investment in each fiscal year shall be equal to the computed average interest rate payable by the Treasury upon its total marketable public obligations as of the beginning of said fiscal year applied to said appropriation investment. Payments due hereunder may be deferred for not more than two years when, in the judgment of the Board of Directors of the Corporation, such payments cannot feasibly be made because of inadequacy of funds occasioned by drought, poor business conditions, emergency replacements, or other factors beyond the control of the Corporation.

61 Stat. 576.
16 USC 831h-2.

Rates for sale of
power.

“(f) The Corporation shall charge rates for power which will produce gross revenues sufficient to provide funds for operation, maintenance, and administration of its power system; payments to States and counties in lieu of taxes; debt service on outstanding bonds, including provision and maintenance of reserve funds and other funds established in connection therewith; payments to the Treasury as a return on the appropriation investment pursuant to subsection (e) hereof; payment to the Treasury of the repayment sums specified in subsection (e) hereof; and such additional margin as the Board may consider desirable for investment in power system assets, retirement of outstanding bonds in advance of maturity, additional reduction of appropriation investment, and other purposes connected with the Corporation's power business, having due regard for the primary objectives of the Act, including the objective that power shall be sold at rates as low as are feasible. In order to protect the investment of holders of the Corporation's securities and the appropriation investment as defined in subsection (e) hereof, the Corporation, during each successive five-year period beginning with the five-year period which commences on July 1 of the first full fiscal year after the effective date of this section, shall apply net power proceeds either in reduction (directly or through payments into reserve or sinking funds) of its capital obligations, including bonds and the appropriation investment, or to reinvestment in power assets, at least to the extent of the combined amount of the aggregate of the depreciation accruals and other charges representing the amortization of capital expenditures applicable to its power properties plus the net proceeds realized from any disposition of power facilities in said period.

Power property.

“(g) Power generating and related facilities operated by the Corporation under lease and lease-purchase agreements shall constitute power property held by the Corporation within the meaning of section 13 of this Act, but that portion of the payment due for any fiscal year under said section 13 to a State where such facilities are located

54 Stat. 626.
16 USC 831L.

which is determined or estimated by the Board to result from holding such facilities or selling electric energy generated thereby shall be reduced by the amount of any taxes or tax equivalents applicable to such fiscal year paid by the owners or others on account of said facilities to said State and to local taxing jurisdictions therein. In connection with the construction of a generating plant or other facilities under an agreement providing for lease or purchase of said facilities or any interest therein by or on behalf of the Corporation, or for the purchase of the output thereof, the Corporation may convey, in the name of the United States by deed, lease, or otherwise, any real property in its possession or control, may perform necessary engineering and construction work and other services, and may enter into any necessary contractual arrangements.

“(h) It is hereby declared to be the intent of this section to aid the Corporation in discharging its responsibility for the advancement of the national defense and the physical, social and economic development of the area in which it conducts its operations by providing it with adequate authority and administrative flexibility to obtain the necessary funds with which to assure an ample supply of electric power for such purposes by issuance of bonds and as otherwise provided herein, and this section shall be construed to effectuate such intent.”

SEC. 2. Paragraph seventh of section 5136 of the Revised Statutes (12 U.S.C. 24), as amended, is further amended by inserting after the words “obligations issued by the International Bank for Reconstruction and Development which are at the time eligible for purchase by a national bank for its own account” the words “, nor to bonds, notes and other obligations issued by the Tennessee Valley Authority,” and by substituting for the words “said bank” in the immediately following proviso the words “either of said organizations”.

SEC. 3. That section 5(m) of the Tennessee Valley Authority Act of 1933, as amended, is hereby amended by inserting after the word “Corporation” in the first line, the words “except ferrophosphorus”.

Approved August 6, 1959.

Lease and lease-purchase agreements.

Declaration of intent.

66 Stat. 334.
16 USC 831d.

Public Law 86-138

AN ACT

Relating to the maintenance and travel expenses of judges.

August 7, 1959
[H. R. 2909]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 456 of title 28, United States Code, is amended to read as follows:

Judges.
Allowances.
67 Stat. 488.

“Each Justice or judge of the United States and each retired Justice or judge recalled or designated and assigned to active duty, while attending court or transacting official business at a place other than his official station, shall, upon his certificate, be paid by the Director of the Administrative Office of the United States Courts all necessary traveling expenses, and also a per diem allowance in lieu of actual expenses of subsistence (as defined in the Travel Expense Act of 1949, as amended, 63 Stat. 166; 5 U.S.C. 835) at the per diem rate provided for by the Travel Expense Act of 1949, as amended, or, in accordance with regulations prescribed by the Director of the Administrative Office of the United States Courts with the approval of the Judicial Conference of the United States, reimbursement for his actual expenses of subsistence not in excess of the maximum amount fixed by the Travel Expense Act of 1949, as amended.”

Approved August 7, 1959.

69 Stat. 393.
5 USC 836.