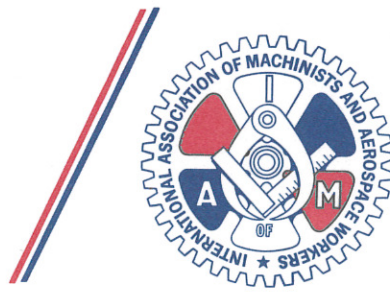


**International  
Association of  
Machinists and  
Aerospace Workers**



9000 Machinists Place  
Upper Marlboro, Maryland 20772-2687

Area Code 301  
967-4500



OFFICE OF THE INTERNATIONAL PRESIDENT

May 8, 2013

President Barack Obama  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500

RE: Machinists Oppose privatizing TVA

Dear Mr. President,

The International Association of Machinists and Aerospace Workers (IAM) strongly opposes privatizing the Tennessee Valley Authority (TVA) as proposed in the Administration's 2014 budget. Privatization will diminish the critical role that the TVA plays not only as a provider of inexpensive electricity and economic development, but also as an environmental steward of the Tennessee River watershed. The proposal to privatize the TVA is based on the premise that such action would "help put the Nation on a sustainable fiscal path." The IAM believes that this logic is fundamentally flawed.

As a self-financing government corporation, the TVA receives no federal dollars and its bonds are not a federal obligation, yet, strangely, its debts are considered part of the federal deficit. While federal law may require the federal government to record the obligations of the TVA as part of the federal deficit, the simple truth is that selling the TVA will not have a material impact on the federal deficit.

Since its conception eighty years ago, the TVA has literally been the engine of economic growth for most of Tennessee and parts of Alabama, Georgia, Kentucky, Mississippi, North Carolina, and Virginia to which it provides low cost electrical power, the TVA's core mission. Additionally, as an incubator of new energy technologies, the TVA is working on the development of modular nuclear reactors, as well as the innovative use of smart grid technologies to provide clean, reliable energy.

Besides providing affordable electricity, the TVA also engages in many nongovernmental functions including the management of the Tennessee River and its tributaries for water quality, recreation, power generation, navigation, and flood control through the operation of forty-nine dams. If the TVA's power operations were ever sold, the federal government would still be responsible for these critical functions, but would lack the corresponding revenue stream that the TVA's electrical production currently provides.

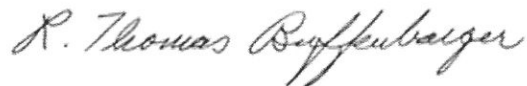
With over 13,000 employees, many in family wage union jobs, the TVA generates approximately \$11.2 billion in revenues, and, since 2005, has been responsible for saving and creating over 300,000 jobs and spurring \$32 billion in business investment in the multistate area that it provides for.

Senator Lamar Alexander has stated that "There is no assurance that selling TVA to a profit-making entity would reduce electrical bills in Tennessee, and it could lead to higher electricity rates." Senate Energy and Natural Resources Committee Chairman Ron Wyden has voiced a similar concern when he declared that federally owned power agencies like the TVA and the Bonneville Power Administration "have been a bedrock of local economies."

As Congress considers the 2014 federal budget there seems to be one area of bipartisan agreement, that the TVA and similar power agencies play an important, constructive role in an economy still struggling to recover from the Great Recession and that selling these vital national assets will not reduce the federal deficit. We could not agree more. I respectfully urge you to reconsider the proposal to privatize the TVA.

Please contact Legislative Director Hasan Solomon at (301) 967-4575 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "R. Thomas Buffenbarger".

R. Thomas Buffenbarger  
International President