Resolution 18-05

Sponsors: New York Association of Public Power; Braintree Electric Light Department; Illinois Municipal Electric Agency

In Support of Public Power Infrastructure Investments

Our communities deserve the better life and stronger economy that better infrastructure provides. In the last decade, public power utilities have invested more than $100 billion in power distribution, transmission, and generation equipment needed to reliably deliver affordable electric power to 22 million homes and businesses in more than 2,000 communities in every state except Hawaii.

These investment decisions are made by state and local officials that are directly accountable to the people they represent. These investments provide the electric power that keep lights on at home, computers running at work, and communication systems working for our police and fire departments.

These public power utilities focus on getting what their customers pay for – on time and on budget. On average, retail rates paid by public power utility customers are lower and the work and daily lives of public power utility customers are interrupted less often by power outages and for less time when there is an outage.

In response to nationwide concerns about crumbling infrastructure, some federal policymakers want to encourage states and localities to rely more heavily on the private sector for the provision of public services and facilities. Public-private partnerships are common today, for example, when public power utilities purchase power from wholesale generators or hire outside contractors to help with construction or repair.

Some want the private sector more integrally involved, not just in construction and repair, but in management and even ownership. Much of this discussion is being driven by private investors wanting a steady stream of revenue from management or ownership and not just a one-time payment for construction or repair. This move to privatization provides no additional funding for investments and will not change who ultimately pays the price for facilities and services – businesses and residents.

These ideas are manifest in specific policies being considered by Congress and the Administration, including, for example, giving direct federal aid to states and localities that privatize management or ownership of public facilities. An extreme example of this is the “Australian Model” under which federal assistance for a project is conditioned upon a state or locality selling another asset to fund its portion of the project. Called “infrastructure recycling,” this model has led, for example, to the sell-off of the entire electric power distribution system in New South Wales.
NOW, THEREFORE, LET IT BE RESOLVED: That the American Public Power Association (APPA) strongly believes the federal government should not try to encourage, pressure, or otherwise incentivize states and localities to privatize public facilities, the cost of which would ultimately be paid by residents and business; and

BE IT FURTHER RESOLVED: That APPA would adamantly oppose any effort to impose pressure to privatize, whether by Executive Order, federal regulatory changes, or federal legislation.