

July 14, 2000

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

FROM: Dennis K. Rathbun, Director **/RA/**
Office of Congressional Affairs

SUBJECT: HOUSE COMMERCE POSTPONED MARKUP OF
H.R. 2944, ELECTRICITY COMPETITION AND
RELIABILITY ACT, 7/13/00

For the second time, House Commerce Committee Chairman Bliley (R-VA) postponed markup of H.R. 2944, Electricity Competition and Reliability Act, a comprehensive electricity deregulation bill. Due both to the absence of Rep. Markey (D-MA), a key player in deregulation issues, and to the Chairman's continued disagreement with Energy and Power Subcommittee chair Rep. Barton (R-TX) over the direction of H.R. 2944, markup was postponed until early next week.

Chairman Bliley had intended to offer an amendment to H.R. 2944 granting oversight authority of the transmission grid to FERC; Rep. Barton favors state control. Chairman Bliley offered brief remarks, saying that on deregulation, his objective was clear, but the outcome was uncertain...and the situation was similar to that of General Pickett's (a fellow prominent Virginian) before the battle at Gettysburg which resulted in a negative outcome. With both Reps. Barton and Markey having expressed willingness to work with him to develop a consensus approach, he temporarily set aside the bill.

In June, the Senate approved S. 2071, the Electric Reliability Act. The Energy and Natural Resources Committee Chair Murkowski (R-AK) had attempted to report out a comprehensive deregulation bill, but the Committee instead endorsed a narrow approach dealing with reliability. S. 2071 establishes an industry-run reliability body with FERC oversight that could set enforceable rules for electricity transmission. In comments to OMB, NRC noted its preference that the bill include a provision stating that regulations issued by the reliability body will be consistent with NRC statutory obligations; this provision is in the Administration's bill, S. 1047. The NRC supports S. 1047 as it includes the two items sought by the agency: elimination of the NRC antitrust review in mergers, and payment priority for decommissioning funds in bankruptcy. H.R. 2944 includes the antitrust elimination, but does not include the bankruptcy provision due to jurisdictional concerns with the Judiciary Committee. Environmentalists and the Administration oppose H.R. 2944.

OCA will continue to track legislative action on electricity deregulation.

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