

Mr. GALLAGHER. All right. Could you return at 2 o'clock?

Mr. LUCE. Yes, sir.

Mr. GALLAGHER. Thank you very much.
(The prepared statement follows:)

STATEMENT OF CHARLES F. LUCE, ADMINISTRATOR, BONNEVILLE POWER
ADMINISTRATION, DEPARTMENT OF THE INTERIOR

My name is Charles F. Luce, and I am Administrator of the Bonneville Power Administration. Like the members of your committee, I am a lawyer.

I appreciate the opportunity to appear before this committee to discuss our experience with what is popularly called psychological testing. In part, such testing seeks a professional appraisal of the personality or temperament of the person tested. By far the largest part of psychological tests, however, seeks to appraise achievements, interest, and aptitudes; for example, verbal comprehension, numerical reasoning, clerical speed and accuracy, space visualization, symbolic reasoning, fields of interest, etc.

I know this committee's concern that any testing program not constitute an unwarranted invasion of employees' right of privacy. I assure the committee that we share its concern. Before concluding my statement I will describe the safeguards we have established to prevent any unwarranted intrusion into the privacy of our employees.

The Bonneville Power Administration is a Federal agency whose official headquarters, by law, are required to be in the Pacific Northwest where all of its properties and operations are located.

It was established within the Department of the Interior by the Bonneville Project Act (50 Stat. 731) in 1937, to market power at wholesale from Bonneville Dam. Subsequent orders by Secretaries of the Interior extended BPA's marketing responsibility to include power from all Federal dams in the Columbia River Basin—21 existing and 6 under construction.

BPA today is one of the largest electric utility operations in the United States, with 6.7 million kilowatts of installed peaking capacity and an additional 2.66 million kilowatts under construction.

It has nearly 10,000 miles of high and extra high voltage transmission lines which, with associated generating projects, represents a plant investment of more than \$2 billion. Its gross annual income is about \$90 million, and soon will exceed \$100 million.

Much of the economy of the Pacific Northwest depends on BPA's efficient and dependable operation; it supplies about 50 percent of all the electricity used in that great region.

Presently, BPA has about 2,700 employees, of whom 60-70 percent belong to unions. Since 1945, its hourly employees have been organized in craft unions that bargain collectively through the Columbia Power Trades Council.

It is vital that BPA have the best qualified personnel available, and the right man in the right job. BPA's top officials must be able to deal effectively with executives of the many private companies and public agencies with which it does business. An error in judgment by a single BPA substation operator can result in loss of life, damage and destruction of valuable property, or interruption of electric service to a major industry or geographic area.

In the case of aluminum plants, which constitute about one-third of our total loads, a service outage of even short duration causes potlines to "freeze" and results in damage which takes weeks to repair. Interruption of service to a city can be a minor disaster; traffic signals and elevators and home appliances stop working, causing confusion, fright, and economic hardship to citizens. Transmission system damage as high as \$500,000 has resulted from a single operating error.

From a management standpoint, BPA is therefore not an ordinary Government agency. Its management problems, and methods of solving them, are much more akin to those of large privately and publicly owned electric utilities. We found that many utilities, investor owned and public, have used, and are using, psychological tests along with other types of tests as aids in selecting employees.

As a matter of fact, I first learned of psychological testing in conversations with executives of privately owned utilities, and with others who had experience with it in private industry. Among such utilities are Duquesne Light & Power, Connecticut Valley Electric Exchange, Ontario (Canada) Hydroelectric, Chelan County (Wash.) Public Utility District, Northern Indiana Public Service Co., Philadelphia Electric, and Washington Public Power Supply System. Attached