

or any cooperative or nonprofit membership organization which is financed by the Rural Electrification Administration, or any officer, agent, or employee of any of the foregoing, acting as such in the course of his official duty, unless such provision makes specific reference thereto."

No provision in this part or in the part next following applicable to a public utility shall apply to any public utility all of whose facilities are situated in a single State and none of whose facilities is used to transmit or receive electric energy by direct connection from or to a State other than the State in which such facilities are situated. The foregoing exemption shall not apply to any public utility any part of whose facilities are used to transmit or receive energy under contract with a public utility or other entity in another State.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 27, 1967.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of March 13, 1967, requesting the views of the Bureau of the Budget on H.R. 5348, a bill "To amend the Federal Power Act, as amended, in respect of the jurisdiction of the Federal Power Commission."

This bill would exempt from Federal Power Commission jurisdiction certain public utilities now subject to Federal regulation under the Federal Power Act. The bill is similar to legislation considered during the 89th Congress which had the same purpose.

The Federal Power Commission, in a report to your Committee regarding H.R. 5348, recommends against its enactment because of its adverse effect on the capacity of the Commission to effectively discharge its regulatory responsibilities.

Accordingly, for the reasons set forth in the Federal Power Commission's report, the Bureau of the Budget recommends against favorable action on H.R. 5348, the enactment of which would not be consistent with the Administration's objectives.

Sincerely yours,

(S) Wilfred H. Rommel
WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

FEDERAL POWER COMMISSION,
Washington, D.C., June 5, 1967.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to your request of March 13, 1967, attached is the Commission's report on H.R. 5348, together with an analysis of the language of the bill. As the attached report explains, the Commission strongly opposes enactment of this bill.

Commissioners Carver and O'Connor have asked me to note that they adhere to the views expressed in their dissent to FPC Opinion No. 517 (*Florida Power & Light Co.*, issued March 20, 1967, rehearing denied May 2, 1967). This bill is intended to exempt companies such as Florida Power & Light Company from the provisions of Parts II and III of the Federal Power Act. In their judgment, expressed in the dissenting opinion to which they adhere, the law does not today extend so far. They anticipate that judicial review of Opinion No. 517 will appropriately test the reach of the existing statute in the near future and believe that it would be best to defer definitive consideration of what the law should be until conclusion of the court test. They point out that deferral of these matters will not affect the position of any party since the Commission has stayed the effectiveness of Opinion No. 517, as requested by Florida Power & Light Company, pending the outcome of judicial review. Accordingly, they respectfully recommend that this bill not be taken up at this time.