

(Congressman Fascell's prepared statement follows:)

STATEMENT OF HON. DANTE B. FASCELL, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF FLORIDA

Mr. Chairman and distinguished Committee Members, I appreciate this opportunity to appear before this Committee in support of the bill I introduced on March 23, 1967. This bill, H.R. 7799, if enacted, would amend the Federal Power Act to prohibit the Federal Power Commission from taking jurisdiction over any electric energy cooperative or non-profit membership organization which is financed by the Rural Electrification Administration. It would further exempt all purely intrastate electric energy public utilities from Federal control.

Basically, the measure is strictly a status exemption bill which would clarify the original Congressional intent of the Federal Power Act in that REA cooperatives and intrastate electric public utilities are not intended to be subject to the jurisdiction of the Federal Power Commission.

This proposed legislation would affect very few electric companies, perhaps a dozen or less. Florida Power and Light and Tampa Electric Company are specific examples.

In order to qualify under the provisions of the proposed measure, a company must have all its facilities situated in a single state. In addition, it may not receive or transmit electric energy by direct connection from or to any other state or by indirect connection from or to any other state.

Nothing is taken from the Federal Power Commission since that Commission has never had such jurisdiction or even asserted such jurisdiction until a relatively recent date.

With respect to the Florida Power and Light Company and the Tampa Electric Company, there is no reason why the FPC should assert such jurisdiction. Both companies are now closely, intensely and adequately regulated by the Florida Public Service Commission. The record of rate reduction required during the last several years is sufficient testimony as to the adequacy of Florida Public Service Commission regulation.

As I see it the FPC authority would only duplicate the state commission regulation and lead to conflict, confusion and difficulty with no attendant benefit to the consumer or anyone else. The increased cost would be another disadvantage.

The Florida Power and Light Company has produced testimony in various proceedings that large additional costs and initial and continuing expenses would be incurred in being forced to comply with the burdensome and unnecessary requirements of FPC. This testimony has never been refuted by any documented statement by the Commission or its staff. Such additional costs would be necessarily borne by the customers without any gain or advantage to them.

I feel that in the present situation the FPC has overreached itself and I urge favorable consideration of the proposed bill, H.R. 7799, which will, in my opinion, require carrying out the original intent of the Congress.

Therefore, for these reasons I urge your support of this important bill.

Mr. FASCELL. It seems to me that what the committee is confronted with, among other things, is the question of principle of the application of the law as it now exists and as has been interpreted by the Federal Power Commission in one of several cases, and the question is then whether in your judgment that is desirable or necessary.

I think it is essential to examine the factual situation in order to determine the application of the law. We start out basically with the concept of the Federal Power Commission whose jurisdiction is based on the concept of interstate commerce; balanced by the concept of intrastate commerce with regulation by State power commissions.

We have had this kind of a balance now in the system since 1935 when Congress passed the Federal Power Act and, of course, it is subject to change from time to time. Every day in differing factual circumstances you have to make a decision as to where you want to draw the line with respect to the jurisdiction and the application of Federal law or State law. The matter which is presented by this legis-