

turn back the clock on the progress the electric utility industry is now making toward lower costs and greater reliability. We therefore oppose the enactment of H.R. 5348 and I should note that this opposition to the bill is unanimous within the Commission.

These bills are before the committee today against a background of sweeping technological changes in the electric power industry. That industry is moving rapidly toward greater regional interdependence, cutting across State lines.

This trend toward greater complexity and integration has resulted in other legislative proposals, principally directed toward channeling into the most productive courses the useful progress the utility industry is making.

The proposed Electric Power Reliability Act, introduced by Chairman Staggers as H.R. 10727 and by Chairman Macdonald as H.R. 10721 represents, we believe, a realistic and constructive reaction to the changes taking place in the power industry.

Interconnections, direct and indirect, among utilities are a far more vital part of the industry's operations today than ever before, and they will be still more vital in the future. Reliability and the economies of scale newly available through use of large generators and long-distance EHV, extra-high-voltage, transmission technology demand that utilities coordinate closely, not on a local or intrastate but on a regional scale.

The Electric Power Reliability Act is intended to facilitate this broad-scale coordination. H.R. 5348 would make it, in many if not most cases, virtually impossible. We believe it would disserve the national interest to induce managements to fragment their operations and neglect opportunities to assist other systems and improve their own service by coordination with their neighbors.

We believe this would be the inevitable consequence if H.R. 5348 were enacted. The commitments the industry is now making indicate that the Electric Power Reliability Act is needed to hasten industry progress. Enactment of H.R. 5348 would in our view be a giant step backward.

WHY COORDINATION IS VITAL

The President's consumer message, transmitted February 16 of this year had the following observation and then I should like to quote from that message:

"It is becoming increasingly clear that greater coordination is needed among the various (electric) utilities to reap the benefits of reliability and economy inherent in huge generating units and extra-high-voltage transmission lines. It is also becoming evident that power systems must be carefully planned, coordinated, and strengthened to protect the consumer against cascading power failures."

The President there announced that proposed legislation would be forthcoming. In response, the Commission submitted to Congress the proposed Electric Power Reliability Act and we believe that proposal will help the power industry move toward greater cooperation and coordination.

While some elements of the industry have expressed serious doubt whether various provisions of the reliability bill will achieve their stated objectives, there has, to the best of my knowledge, been no significant disagreement with the aim of greater reliability and economy