

"But is federal jurisdiction to follow the changes in the theories which are devised by company or Commission engineers to describe a still-mysterious phenomenon? For myself, I cannot accept the premise that the 'commingling' theory can change the law as radically as to eliminate two explicit exceptions to our jurisdiction."

This continuing extension of jurisdiction by the FPC will certainly be "plenary" unless Congress comes to the rescue of the small utility companies. The expense of dual regulation is certainly not worth the benefits the people in Illinois will receive through FPC regulation of CILCO. It is rather ironical for the FPC to be so concerned about a utility's wholesale rates to municipalities and cooperatives, while municipality and cooperative rates to their customers are not controlled by either the FPC or the state agency.

STATEMENT OF ANDREW J. BIEMILLER, DIRECTOR, DEPARTMENT OF LEGISLATION,
AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. Chairman, my name is Andrew J. Biemiller. I am Director of the AFL-CIO Department of Legislation. I am also Chairman of the AFL-CIO Staff Committee on Atomic Energy and Natural Resources.

I appreciate this opportunity to express the strong opposition of organized labor to H.R. 5348 and five other identical bills which would amend the Federal Power Act and exempt certain electric utilities from regulation by the Federal Power Commission.

These bills would amend Sec. 201(f) of the Federal Power Act to remove from jurisdiction of the Federal Power Commission all cooperatives and non-profit organizations financed by the Rural Electrification Administration and those privately owned electric utilities which operate under one of three conditions:

1. Those which have their facilities physically located in a single state.
2. Those which do not receive or transmit power directly from or to another state.
3. Those which do not receive or transmit power under contract with a utility in another state.

Although these conditions for exemption are less far-reaching than those set forth in previous legislative attempts along this line before the Congress in 1964 and 1965, we oppose H.R. 5348 and companion bills for the same reasons. The Federal Power Commission, the Bureau of the Budget, and a wide range of consumer's organizations are likewise opposing this legislation.

With its 14 million members of affiliated unions, who, with their families number some 50 million Americans, the AFL-CIO represents the nation's largest single group of consumers. It is in defense of the consumer interest of union members and their families, and in defense of the general consumer public that we present this statement.

We are opposing H.R. 5348 and similar bills for the following reasons:

1. The bills are primarily intended to afford relief for the Florida Power and Light Company. This utility is making a court test of Opinion No. 517 of the Federal Power Commission to the effect that the company is a public utility under definition of the Federal Power Act and therefore subject to Commission regulation.

The Commission has postponed the effect of its opinion because of the court test, but obviously Florida Power and Light and other utilities regard H.R. 5348 as an opportunity to escape FPC regulation. Even the two FPC members of the Commission who were in dissent to Order No. 517 have urged no action on this legislation pending the outcome of the court test.

2. Thirty-two years ago the Congress met the immediate need for federal regulation of electric utilities in passing what are now Parts II and III of the Federal Power Act. Even then the Congress found that these utilities were forming large interstate networks, with increasing amounts of electric energy crossing state lines. This clearly called for federal regulation, since much of such interstate transactions fell outside legal or practical state control.

In 1964, the National Power Survey of the Federal Power Commission stated that "... today 97 percent of the industry's generating capacity is to a greater or lesser degree inter-connected in five large networks." This process has increased since 1965. The major power failures of the past few years along the East Coast and in other areas point out the need for greater coordination and strengthening of power systems, such as is contemplated in the proposed Electric Power Reli-