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NINETY-FIFTH CONGRESS

Congress of the United States**House of Representatives**

COMMITTEE ON GOVERNMENT OPERATIONS

2157 Rayburn House Office Building

Washington, D.C. 20515

June 1, 1977

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MAJORITY—225-5051
 MINORITY—225-5074

Dear Colleague,

On Thursday, when the House considers H.R. 6804, a bill to establish a Department of Energy, it will be taking a long first step toward finding solutions to the many-sided energy problems that now cloud the future of our country. The solutions are not contained in the legislation, but the bill does provide the organizational machinery to facilitate the search for a solution.

We are now trying to meet the challenge of the energy crisis with programs scattered throughout the executive branch and authority widely dispersed. Forty agencies are engaged in gathering energy data and information; five share responsibility for energy conservation. Research and development programs are conducted independently, even in competition with each other. Different agencies are responsible for regulating different fuels.

H.R. 6804 brings all these functions and programs into one balanced organization with sufficient power to develop and carry out a national energy policy, but with sufficient safeguards to make sure that power is not abused.

Fears have been expressed that the Secretary of Energy will have too much power, especially if the regulatory powers of the Federal Power Commission are transferred to the Department. We urge you to study H.R. 6804 and see just how this transfer has been arranged.

Most of the present functions of the FPC are transferred, not to the Secretary of Energy, but to a five-member Federal Energy Regulatory Commission. Although this commission is within the Department, it will be independent of the Secretary and any other Department official. Its members will be appointed by the President and confirmed by the Senate. It will hire all its own personnel, and it will have separately identified funding in the Department's budget.

The Commission will set wholesale electric rates in interstate commerce, set pipeline transportation rates, and issue certificates for pipelines. It will have jurisdiction over all proceedings which involve an agency determination required by law to be made on the record after opportunity for an agency hearing. In all these matters the full rights of due process now available to the parties involved will be preserved. The decisions of the Commission will be final.

The bill does transfer to the Secretary the power to make rules of general applicability and to establish well-head prices of natural gas. We consider this authority vital to any effective management of a national energy policy, and that, after all, is the whole point of reorganizing the government's energy functions. Amendments to strike or limit this authority were considered and rejected by the subcommittee prior to approval of the bill.

We are dealing with grave issues that affect the lives of every American and the future of our country. If we are to deal with them successfully we must have an organizational structure with enough authority and flexibility to develop and carry out a comprehensive national energy policy.

We believe H.R. 6804 provides the authority, the flexibility, and the essential safeguards against abuse, and we urge you to support it.

Sincerely,

John M. ...
Frank Horton
Nanto B. Fagell
Elliott A. ...