

**Statement of Rep. Henry A. Waxman**  
**“The Electricity Emergency Act of 2001”**  
**May 1, 2001**

Today, the Subcommittee begins legislative hearings on the “Electricity Emergency Act of 2001.”

I want to begin today by commending Chairman Barton for taking an interest in the serious energy problems facing California. This is a very serious issue, and the Subcommittee has devoted significant time to it.

There is a pressing need for congressional scrutiny of this issue, and I want to thank the Chairman for beginning this process. It is genuinely refreshing to have someone in Washington concerned about what’s going on in California.

Unfortunately, despite the Chairman’s good intentions, the substance of the “Electricity Emergency Act” is fundamentally flawed. In fact, the bill will do far more harm than good.

There are four critical problems with this legislation. First, it fails to address runaway wholesale electricity prices. FERC could address this issue today and order refunds wherever gouging has occurred. However, in the absence of meaningful action at FERC, Congress needs to act.

Second, it interferes with California’s actions to address the electricity crisis. California has been working around the clock to address these energy issues, and we should be careful to ensure that we do not undermine the state’s efforts. Unfortunately, the legislation:

- suspends important long-term energy contracts in California;
- impedes California’s efforts to acquire and operate electrical transmission lines; and
- undermines California’s innovative demand-reduction programs.

Third, this legislation creates massive loopholes in the nation’s landmark environmental laws. It authorizes the construction of power lines through national parks and wilderness areas, allows requirements of the Endangered Species Act to be suspended, and relaxes air pollution controls.

And finally, the legislation fails to adequately promote energy conservation.

I have carefully examined each provision in the legislation and consulted extensively with the state of California about the bill. To summarize what I have learned, I am releasing today a detailed analysis of the legislation, which I ask be included in the record of this hearing.

I look forward to working with the Chairman and all members of the Subcommittee on this important issue. I hope we can work together -- and with the state of California -- to find solutions that will actually protect the consumers in my state.