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ONE HUNDRED SEVENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM

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June 5, 2001

The Honorable Dan Burton
Chairman
House Committee on Government Reform
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Burton:

As you may know, over the past few months, a task force headed by Vice President Dick Cheney has worked to help develop the Bush Administration's energy policy. The Cheney task force has conducted its meetings in private, and reportedly has obtained input from private citizens and groups, including political contributors.

For example, a May 25, 2001, article in the *New York Times* stated that Kenneth L. Lay, a major donor to the Bush campaign and the head of Enron Corporation, a major donor to Republican causes, "had access to the team writing the White House's energy report, which embraces several initiatives and issues dear to Enron."¹ The article further reported:

The report's recommendations include finding ways to give the federal government more power over electricity transmission networks, a longtime goal of the company that was spelled out in a memorandum Mr. Lay discussed during a 30-minute meeting earlier this spring with Mr. Cheney. Mr. Cheney's report includes much of what Mr. Lay advocated during their meeting.²

In April, I joined Rep. John D. Dingell, Ranking Member of the House Energy and

¹*Power Trader Tied to Bush Finds Washington All Ears*, New York Times (May 25, 2001).

²*Id.* See also *Cheney Task Force Seeks Input from Interest Groups*, Associated Press (May 14, 2001) (stating that major Republican contributors have attended private sessions with Vice President Cheney regarding energy policy).

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Commerce Committee, in requesting that the Cheney task force provide us with records regarding the participants in the energy task force meetings, the purpose, the outcome, and the role of federal employees at these meetings. We also asked the nonpartisan General Accounting Office (GAO) to seek similar information from the task force. Unfortunately, the task force has refused to provide either GAO or Mr. Dingell and myself basic information concerning the specific individuals and groups with which the task force and staff have met.

The Cheney task force even has gone so far as to urge GAO to cease its investigation, writing GAO on May 16, 2001, that the GAO investigation "may intend to intrude into the heart of Executive deliberations."³

The Cheney task force's refusal to provide basic information about its interactions with nongovernmental entities and individuals raises serious questions about the access large donors have to the policymaking process in the Bush Administration. Recent reports that the Vice President hosted a Republican National Committee event for large campaign contributors at the official vice presidential residence, and that access to Cabinet Secretaries has been promised to Republican donors who make significant contributions, only underscore such concerns about access and influence of major Republican donors in the Bush Administration.

Further questions have been raised by a recent article in the *New York Times* suggesting that major Republican donors may have the ability to influence the selection of Administration personnel who will back their policy views. This article reported that Curtis Herbert, chairman of the Federal Energy Regulatory Commission, believed his job could be in jeopardy if he refused to back policies that would benefit Enron Corporation. According to this account, Mr. Herbert had an "unsettling phone conversation with Kenneth L. Lay, the head of the nation's largest electricity trader, the Enron Corporation." In this conversation, Mr. Lay allegedly told Mr. Herbert that "[i]f he changed his views on electricity deregulation, Enron would continue to support him in his new job."⁴ Mr. Herbert refused this offer, and reportedly Mr. Herbert "may soon be replaced as the commission's chairman." The article further noted that Mr. Lay "has weighed in on candidates for other commission posts, supplying President Bush's chief personnel advisor with a list of preferred candidates."⁵

³Letter from David Addington, counsel to the Vice President, to Anthony Gamboa, general counsel, GAO (May 16, 2001).

⁴*Power Trader Tied to Bush Finds Washington All Ears*, New York Times (May 25, 2001). The article noted that Mr. Lay had a different version of the conversation with Mr. Herbert, but that he acknowledged that the conversation did occur.

⁵*Id.*

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In the past, when questions were raised regarding possible access and influence by big Democratic donors during the Clinton Administration, you conducted sweeping oversight. One example is your inquiry regarding allegations that Democratic contributors inappropriately influenced a Clinton Administration decision to deny a casino application at the St. Croix Meadows Greyhound Racing Park in Hudson, Wisconsin. To explore these allegations, you subpoenaed the White House and the Department of Interior for "all records" relating to the racing park. You also refused to accept the White House's executive privilege arguments, on the grounds that you did not think that "how members of the Administration may have responded to lobbying pressures impinges upon fundamental issues of Executive Branch duties."⁶

Congress and the American public have the right to know how the Administration develops policy in important areas such as energy issues, and the extent to which large donors are influencing such policy. Particularly since the Government Reform Committee has primary jurisdiction concerning the conduct of agencies responsible for implementing energy policy, the Committee should be vigilant about ensuring sunshine regarding the influence of big donors on Bush Administration policy.

Accordingly, I ask that you hold a Committee hearing on the Cheney task force to examine questions that the task force has to date refused to answer. These include:

- (1) What federal and nonfederal individuals and entities attended task force meetings or met with task force members or staff?
- (2) What criteria were used to determine which nonfederal participants would and would not be invited to these meetings?
- (3) Who specifically determined which nonfederal participants would be invited to each task force meeting or would meet with task force members or staff?
- (4) How many task force meetings were open to the public and noticed to the public?
- (5) With respect to meetings attended by nonfederal participants, what was the purpose of each meeting and what was discussed?
- (6) Under what statutory authorities, regulations, rules, and guidelines was the task force organized?

I am disappointed that you have declined to respond to my two earlier letters, dated May 10 and May 21. As you know, in these letters, I asked whether you were planning to obtain information from the Bush Administration regarding reports about access being given to big donors, and other potentially inappropriate uses of Administration resources for campaign purposes.

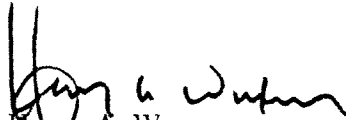
I hope that this Committee will investigate the issues surrounding the influence of

⁶Letter from Rep. Dan Burton to Charles F.C. Ruff (Nov. 4, 1997).

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campaign contributors on the Bush Administration's energy policy as vigorously as it investigated similar allegations involving the prior Administration. I look forward to your response to this letter and to my May 10 and May 21 letters.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry A. Waxman". The signature is fluid and cursive, with a large initial "H" and "W".

Henry A. Waxman
Ranking Minority Member

cc: Members of the Committee on Government Reform