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2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
FACSIMILE (202) 225-3974
MINORITY (202) 225-5051
TTY (202) 225-6852

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January 8, 2002

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The Vice President
The Eisenhower Executive Office Building
Washington, D.C. 20501

Dear Mr. Vice President:

On January 4, I received a letter from your counsel, David S. Addington, responding to my December 4, 2001, request for information about meetings between the White House energy task force and Enron executives. I commend you for your decision to release for the first time some details about these contacts, such as the number and dates of the meetings. Your response, however, raises additional questions about the extent to which Enron may have influenced the Administration's energy policies or provided information about its own operations.

Congressional efforts to obtain information about the operations of the White House energy task force began in April 2001, when Rep. John D. Dingell and I wrote to Andrew Lundquist, the executive director of the task force. At the same time, we also wrote to David M. Walker, the Comptroller General of the United States, seeking the assistance of the General Accounting Office in the investigation. Until now, your office has steadfastly refused to disclose either to Congress or to GAO basic information about the task force's secret meetings with industry representatives, including Enron executives.

For the first time, the letter from Mr. Addington provides some limited details about the contacts between Enron and the energy task force. It reveals that Enron had extensive access to the task force, meeting in person six times with you or the task force staff to discuss "energy policy matters." These meetings began on February 22, just over a month after the start of the Bush Administration. And they ended on October 10, just six days before Enron announced the \$1.2 billion reduction in shareholder equity that precipitated Enron's collapse.

The meetings included a private meeting on April 17 between you and Enron CEO Kenneth Lay during which you and Mr. Lay discussed "energy policy matters" including "the energy crisis in California." At the time, Enron had launched a high-profile campaign against the imposition of federal price caps on wholesale energy sales in California. The day after your meeting with Mr. Lay, you gave a telephone interview to the *Los Angeles Times* in which you stated that the Administration would not support price caps. As the *Los Angeles Times* reported:

Want price caps on wholesale electricity to staunch the bleeding of billions from California? Not going to happen, Vice President Dick Cheney insists. Don't waste your energy thinking about it. ... Price caps, Cheney declares, may provide "short-term political relief for the politicians. But they don't do anything to deal with the basic fundamental problem. ... I don't see that as a possibility. ... Any package you can wrap it in, any fancy rhetoric you can prop it up with, it does not solve the problem."¹

The information from Mr. Addington shows that the access provided to Enron far exceeded the access provided by the White House to other parties interested in energy policy. For example, while Enron participated in six separate White House meetings, environmental and consumer advocates have stated that you claimed you were too busy to meet with them and that the task force's executive director met with them "but did not ask for substantive recommendations."²

Unfortunately, although Mr. Addington's letter for the first time provides the number and dates of meetings between Enron executives and White House officials, it fails to reveal important details about these meetings. For example, the letter does not address:

- (1) the subjects discussed at the meetings;
- (2) any requests for changes in federal policies made by Enron executives at the meetings;
- (3) copies of any documents presented or discussed at the meetings; and
- (4) the names of persons attending the meetings.

In addition, the response from Mr. Addington addressed only meetings between Enron executives and energy task force officials. It does not address whether White House officials had other "contacts" with Enron, such as telephone conversations or e-mail communications. According to press accounts, some of the communications between Enron and senior White House officials occurred during telephone conversations. For example, the *Wall Street Journal* reported that Mr. Lay called senior White House advisor Karl Rove regarding appointments to the Federal Energy Regulatory Commission.³ But this contact is not described in Mr. Addington's letter.

¹ *California and the West Price Caps Don't Fit in Cheney's Head for Figures*, Los Angeles Times (April 19, 2001).

² Natural Resources Defense Council, *The Bush-Cheney Energy Plan: Players, Profits and Paybacks* (June 2001) (on line at <http://www.nrdc.org/air/energy/aplayers.asp>).

³ *Power Politics: In Era of Deregulation, Enron Woos Regulators More Avidly Than Ever*, Wall Street Journal (May 18, 2001).

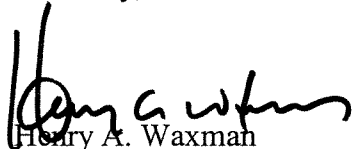
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Moreover, Mr. Addington's letter does not address any meetings or contacts that Enron may have had with White House officials who were not part of the energy task force, whether on energy-related issues or other matters.

Mr. Addington's letter discloses that in addition to the six meetings with you or task force staff, you and Mr. Lay also served together on a panel addressing "energy matters" at an American Enterprise Institute forum in Colorado on June 24, 2001. The letter indicates that during the "widely attended" conference there was no discussion concerning the financial position of Enron. However, the letter fails to address the subject matter of any communications between you and Mr. Lay that occurred before or after the official panel presentation.

Mr. Addington's letter is a recognition that Congress and the public have a legitimate interest in learning about the contacts between Enron executives and the White House, and I commend you for revealing the information disclosed in the letter. But I hope you will realize the inadequacies of Mr. Addington's letter. I urge you to provide a full accounting of the contacts between Enron and the White House energy task force and other White House officials, including addressing all of the issues raised above.

Sincerely,



Henry A. Waxman
Ranking Minority Member

cc: The Honorable David M. Walker
The Honorable John D. Dingell