

particular, his background in service learning. Dr. Wood believes that every college needs a distinctive niche and for Defiance College it is the pervasiveness of service learning in its academic programs. He would tell you that it's a thread that is important to getting Defiance College known for the good, solid liberal arts education it offers.

Dr. Wood came to Defiance College from Elkins, W. Va, where he served as vice president for the College of Advancement the past three years at Davis and Elkins College. His responsibilities included raising money and developing a marketing strategy for the school. Prior to that, he was assistant dean of the chapel/assistant dean of student development from 1983–1995 at West Virginia Wesleyan College, Buckhannon, W. Va, where he jump-started the service learning concept and founded the Bonner Scholars Program at the school. He was honored as West Virginia Wesleyan College Outstanding Administrator/Faculty of the Year in 1986.

An avid reader on America's 16th President, Dr. Gerald E. Wood is aware of what it means to lead. He says that his reading about Abraham Lincoln has shown him the importance of facing challenges head on. Dr. Wood appreciates how Lincoln drew from his personal experience to be able to perform as he did while in office.

Mr. Speaker, I ask my colleagues to join me in paying special tribute to Dr. Gerald E. Wood. Our communities are served well by having such honorable and giving citizens, like Dr. Wood, who care about their well-being and stability. We wish him, his wife, Nancy, and their family all the best as we pay tribute to Defiance College's 17th President.

INTRODUCTION OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 2003

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 3, 2003

Mr. PICKERING. Mr. Speaker, I am pleased to introduce a bill today to help America's energy consumers by repealing an outdated law that serves as a barrier to competition in the energy marketplace. I am pleased to be joined by the Gentleman from New York, Mr. TOWNS in introducing this important legislation. This bill, which is nearly identical to legislation I introduced in the last Congress and very similar to legislation approved by the Senate in the last Congress, would repeal a New Deal Law, the Public Utility Holding Company Act of 1935 (PUHCA).

This legislation is a bipartisan initiative. The current Republican and previous Democratic Administrations have called for the repeal of PUHCA. Further, the bill would implement the recommendations of the Securities and Exchange Commission (SEC) made in 1995 following an extensive study by the SEC of the effects of this outdated law on today's energy markets.

PUHCA is a law that has long outlived its usefulness. It imposes unnecessary costs on consumers and directly undermines the intent of current federal and state policies designed to bring more competition to America's energy market.

PUHCA was enacted in 1935 to address abuses arising out of pyramid corporate structures at a time when electric utility regulation was just starting at both the federal and state level. PUHCA's primary purpose was to dismantle more than 100 complex utility holding company structures that, in many cases, took advantage of weak federal and state regulations to pursue inappropriate business practices. There are now 28 top electric and gas utility holding companies that are required by PUHCA to operate under arbitrary investment caps that preclude them from investing in areas of need. Other utility companies are exempt from PUHCA's caps, but must operate primarily within one state in order to maintain their exemptions. Our nation's gas and electric utility companies, therefore, must operate principally within certain geographic "boxes." This stifles innovation, hinders competition, and undermines the development of regional electricity markets. Moreover, such a circumstance inhibits the very competition that Congress has sought to foster in our national energy policy.

More specifically, PUHCA delays or, in some cases, prevents registered companies from offering new products and services to their consumers. As a barrier to entry for gas and electric utilities in all states, PUHCA limits investment and growth opportunities on a nationwide basis in the gas and electric industries. PUHCA also unnecessarily restricts the flow of capital into all states thereby inhibiting the development of new transmission and generation capacity. PUHCA stands in the way of the efforts by our nation's utility industry to serve consumers in a more competitive manner.

Interestingly enough, the financial collapse of Enron underscored the need to encourage—not discourage—the entry of stable, regulated, asset-backed energy companies into the marketplace. Ironically, it is just these types of companies that are effectively barred from investing in new markets by PUHCA. Enron was opposed to PUHCA repeal because its continued existence imposed competitive handicaps on well-established, asset-backed energy companies in emerging competitive markets.

The counterproductive restrictions that PUHCA places on the natural gas and electric power industries are based on historical assumptions that are no longer valid. The factors that existed when PUHCA was enacted in 1935 no longer exist today. Federal and state laws at that time were inadequate to protect consumers and investors. Today, federal and state regulations have become much more comprehensive and sensitive to market conditions. PUHCA, however, remains an economic drag on America's energy industry.

The ability of State commissions to regulate holding company systems and, together with the development of regulation under the Federal Power Act of 1935 and the Natural Gas Act of 1938, have eliminated the regulatory "gaps" that existed in 1935 with respect to wholesale transactions in interstate commerce. The expanded ability of State commissions and the FERC to regulate inter-affiliate transactions have further rendered the 1935 Act unnecessary. In addition, important market power issues will continue to be reviewed by FERC, DoJ and the FTC.

This legislation would reform the regulation of utility holding companies by repealing the

uplicative SEC-related provisions of the Public Utility Holding Company Act of 1935, while assuring that the SEC retains all of its non-PUCHA jurisdiction of securities and securities markets in order to protect investors. The bill would put gas and electric power companies on an equal competitive footing, allowing them to take advantage of market opportunities that benefit investors and utility companies.

Registered companies will continue to be subject to all government regulation intended to protect investors to which other industry participants are subject. SEC authority under the Securities Act, Exchange Act, Investment Advisers Act, and Trust Indenture Act will all remain in place. The State securities commissions will also have available to them the various State Blue-Sky laws. The bill will enhance the ability of FERC and the State utility commissions to access the books and records of utilities and their subsidiaries in order to improve customer protection. This would be in addition to the ongoing authority of state and federal regulators to oversee rates charged by regulated utilities in retail and wholesale markets.

In the new environment confronting the utility industry, PUHCA has become nothing more than a bottleneck that constrains the ability of our nation's natural gas and electric power industries to serve consumers. PUHCA is an anachronism that burdens utility systems with costs and restrictions that impair their competitiveness and prevent them from adapting to the new and more competitive environment. PUHCA is no longer a solution because the problems of the 1930's have been replaced by effective state and federal legislation and by the realities of today's marketplace. Simply put, America no longer can afford the Public Utility Holding Company Act of 1935. It is time for Congress to act on the recommendations of the SEC and to enact this legislation.

INTRODUCTION OF UNITED STATES FORCES KOREA QUALITY OF LIFE ACT

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 3, 2003

Mr. KNOLLENBERG. Mr. Speaker, as the attention of the country is focused on the men and women of our armed forces who are fighting to liberate Iraq, we must not forget about those who are serving elsewhere around the world. That's why I am introducing today the "United States Forces Korea Quality of Life Act." I, as well as my original co-sponsors, believe this bill is essential in providing much needed relief to our military personnel in Korea.

As Chairman of the House Appropriations Subcommittee on Military Construction, improving the quality of life for our military is one of my foremost goals. No place needs improvement more than our facilities in Korea. Simply put, the conditions our troops in Korea must currently endure are unacceptable.

But you don't have to take my word for it. In recent testimony before Congress, Admiral Thomas Fargo, Commander, United States Pacific Command and General Leon LaPorte, Commander United States Forces Korea, testified that conditions on the Korean Peninsula