

\*DISCUSSION DRAFT\*

SEPTEMBER 21, 2001

107TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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IN THE HOUSE OF REPRESENTATIVES

Mr. BARTON of Texas introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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**A BILL**

To benefit consumers and enhance the Nation's energy security by removing barriers to the development of competitive markets for electric power, providing for the reliability and increased capacity of the Nation's electric transmission networks, promoting the use of renewable and alternative sources of electric power generation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*



1 **SEC. 122. TRANSFER OF RESOURCES.**

2 All books and records that relate primarily to the  
3 functions transferred to the Commission under this sub-  
4 title shall be transferred from the Securities and Exchange  
5 Commission to the Commission.

6 **SEC. 123. EFFECTIVE DATE.**

7 This subtitle shall take effect 12 months after the  
8 date of enactment of this Act.

9 **SEC. 124. CONFORMING AMENDMENT TO THE FEDERAL**  
10 **POWER ACT.**

11 Section 318 of the Federal Power Act (16 U.S.C.  
12 825q) is repealed.

13 **SEC. 125. EFFECT ON INVESTMENT COMPANY ACT REGULA-**  
14 **TION.**

15 (a) GRANDFATHER OF EXISTING HOLDINGS.—A per-  
16 son that, on December 31, 2001—

17 (1) was an affiliate of a holding company, and

18 (2) held investment securities of one or more  
19 companies engaged directly or indirectly in the elec-  
20 tric or gas utility business, or other permitted busi-  
21 ness activities for a registered holding company and  
22 its subsidiaries,

23 shall not be treated as being an investment company under  
24 section 3(a)(1)(C) of the Investment Company Act of  
25 1940 (15 U.S.C. 80a-3(a)(1)(C)) on the basis of investing,  
26 reinvesting, owning, holding, or trading any investment se-



1 curities issued by companies in which such person held  
2 such investment securities as of such date.

3 (b) DEFINITIONS.—As used in subsection (a):

4 (1) HOLDING COMPANY.—The term “holding  
5 company” has the meaning provided in section  
6 2(a)(7) of the Public Utilities Holding Company Act  
7 of 1935 (15 U.S.C. 79b(a)(7)).

8 (2) AFFILIATE.—The term “affiliate” has the  
9 meaning provided in section 2(a)(11) of such Act  
10 (15 U.S.C. 79b(a)(11)).

11 (3) INVESTMENT SECURITIES.—The term “in-  
12 vestment securities” has the meaning provided in  
13 section 3(a)(2) of the Investment Company Act of  
14 1940 (15 U.S.C. 80a-3(a)(2)).

15 **Subtitle C—Provisions Regarding**  
16 **Public Utility Regulatory Poli-**  
17 **cies Act of 1978**

18 **SEC. 131. FINDINGS.**

19 The Congress finds that—

20 (1) implementation of section 210 of the Public  
21 Utility Regulatory Policies Act of 1978 (16 U.S.C.  
22 824a-3) resulted in many consumers paying exces-  
23 sive rates for electricity;

24 (2) the Energy Policy Act of 1992 gives non-  
25 regulated producers of electricity additional access to



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OCTOBER 9, 2001

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1ST SESSION

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**A BILL**

To benefit consumers and enhance the Nation's energy security by removing barriers to the development of competitive markets for electric power, providing for the reliability and increased capacity of the Nation's electric transmission networks, promoting the use of renewable and alternative sources of electric power generation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*



1 **SEC. 121. IMPLEMENTATION.**

2 Not later than 12 months after the date of enactment  
3 of this Act, the Commission shall—

4 (1) promulgate such regulations as may be nec-  
5 essary or appropriate to implement this subtitle; and

6 (2) submit to the Congress detailed rec-  
7 ommendations on technical and conforming amend-  
8 ments to Federal law necessary to carry out this  
9 subtitle and the amendments made by this subtitle.

10 **SEC. 122. TRANSFER OF RESOURCES.**

11 All books and records that relate primarily to the  
12 functions transferred to the Commission under this sub-  
13 title shall be transferred from the Securities and Exchange  
14 Commission to the Commission.

15 **SEC. 123. EFFECTIVE DATE.**

16 This subtitle shall take effect 12 months after the  
17 date of enactment of this Act.

18 **SEC. 124. CONFORMING AMENDMENT TO THE FEDERAL**  
19 **POWER ACT.**

20 Section 318 of the Federal Power Act (16 U.S.C.  
21 825q) is repealed.

22 **SEC. 125. EFFECT ON INVESTMENT COMPANY ACT REGULA-**  
23 **TION.**

24 (a) GRANDFATHER OF EXISTING HOLDINGS.—A per-  
25 son that, on December 31, 2001—

26 (1) was an affiliate of a holding company, and



1           (2) held investment securities of one or more  
2           companies engaged directly or indirectly in the elec-  
3           tric or gas utility business, or other permitted busi-  
4           ness activities for a registered holding company and  
5           its subsidiaries,  
6           shall not be treated as being an investment company under  
7           section 3(a)(1)(C) of the Investment Company Act of  
8           1940 (15 U.S.C. 80a-3(a)(1)(C)) on the basis of investing,  
9           reinvesting, owning, holding, or trading any investment se-  
10          curities issued by companies in which such person held  
11          such investment securities as of such date.

12          (b) DEFINITIONS.—As used in subsection (a):

13           (1) HOLDING COMPANY.—The term “holding  
14           company” has the meaning provided in section  
15           2(a)(7) of the Public Utilities Holding Company Act  
16           of 1935 (15 U.S.C. 79b(a)(7)).

17           (2) AFFILIATE.—The term “affiliate” has the  
18           meaning provided in section 2(a)(11) of such Act  
19           (15 U.S.C. 79b(a)(11)).

20           (3) INVESTMENT SECURITIES.—The term “in-  
21           vestment securities” has the meaning provided in  
22           section 3(a)(2) of the Investment Company Act of  
23           1940 (15 U.S.C. 80a-3(a)(2)).

