

107TH CONGRESS
1ST SESSION

H. R. 3406

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.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 5, 2001

Mr. BARTON of Texas introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Transportation and Infrastructure, and Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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21 825q) is repealed.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 invest-
9 ing, reinvesting, owning, holding, or trading any invest-
10 ment securities issued by companies in which such person
11 held 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)).