

Statement of Rep. Henry A. Waxman
H.R. 3406, the “Electric Supply and Transmission Act”
December 18, 2001

Mr. Chairman, I strongly oppose this bill.

Back in the late 1980s and early 1990s, when Democrats controlled this Committee and the House, many Republicans took delight in suggesting that Democrats had become captive of the Beltway and disconnected from the real lives of people across our country.

In some instances, these criticisms were right. But my question this afternoon is: “Who has lost touch with real people now?”

If the deregulation movement were a battlefield, there would be casualties from coast to coast.

In Benicia, California, Signal Solutions has seen its utility bills go up 60% thanks to the state’s efforts at deregulation.

In Minneapolis, retired Enron employee Roger Boyce lost over \$2 million in his retirement savings thanks to the company’s spectacular collapse.

Across the country, shareholders have lost billions thanks to their investments in Enron. The Illinois State Retirement System, for example, which manages retirement funds for state judges and civil servants, stands to lose \$15 million.

And in states like Massachusetts and New York, deregulation efforts have produced double-digit price increases.

In contrast, the winners are a very small group of senior executives at energy companies that became expert at successfully lobbying for deregulation and then manipulating energy markets or looting their company. Now they are comfortably holed up in their mansions, hundreds of millions of dollars richer, smugly telling everyone else this is how a free market works.

They won, everyone else lost.

Now we are here today, and who do we listen to?

It’s not the families who have lost everything. It’s the energy companies that want more Enron-style deregulation. It’s the lobbyists in this room who take us to dinner and give us campaign contributions.

The fact of the matter is this: if Enron hadn’t collapsed, if it were still the seventh largest company in the country, its success would be Exhibit 1 when supporters of this bill argue for

passage. And if California's experiment in deregulation had succeeded, it would have been Exhibit 2.

What's amazing is that even though both Enron and California have been unprecedented disasters, proponents just keep moving forward, ignoring reality and the financial carnage that's been caused.

The gap between reality and the promises of deregulation is as wide as the Grand Canyon. Moving this bill says that ideology matters more to the Republican majority than facts.

What we should be doing is investigating, reevaluating, and challenging long-held assumptions. If we don't and we legislate instead, we are likely to inflict even more injustice on families in all of our districts.

So as we move forward on this legislation in the coming year, I will be offering a series of amendments that focus on what should be our main concern: the interests of average Americans. And I will do everything I can here and on the House floor to restore some commonsense to this process.

I know my approach may be an inconvenience to my colleagues and I apologize in advance for any disruption that causes. But I am angry at the harm that so many families have been burdened with. I'm not angry with the Chairman or supporters of this bill, but angry at what's happened.

I hope others here are angry too, because what's happened is wrong, and it's up to us to make it right.