

NEWS RELEASE

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IBEW Urges Congress to Learn from Energy Market Meltdown, Leave Electricity Out of Energy Bill

The leader of the nation's largest group of utility employees warned today that California's disastrous experience with electricity markets in the West could be repeated for the entire nation if Congress doesn't drop the electricity title out of the conference committee report on the comprehensive energy bill.

Edwin D. Hill, president of the International Brotherhood of Electrical Workers, said an all-out effort to convince Congress to drop the measure has attracted a large group of allies, including governors of some 18 states, members of many state public utility commissions, particularly from the West and South, several utilities, and consumer and environmental groups. The IBEW includes some 220,000 utility employees among its 775,000 members.

"The remaining congressional cheerleaders for putting another 'fix' on electricity deregulation should stop trying to prop up their untried theories and face the fact that the process has already taken a heavy toll on the nation's economy," Hill said. "The victims of the movement to deregulate public service utilities are too many and the 'benefits' are too scarce."

Hill warned against repeal of the Public Utility Holding Company Act (PUHCA), which limits the ability of large holding companies to buy and hold more than one utility without approval from the Securities and Exchange Commission. The law was enacted because at the time about 15 large holding companies controlled the electric utility system. Their size and power enabled them to ignore customer needs and focus instead on increasing their heavily leveraged acquisitions and driving up

their stock value.

“Repeal of PUHCA would remove a consumer protection that has served Americans well for nearly 70 years and topple the remaining cornerstone of the regulatory compact between utilities and the public,” Hill said. “This provision would revive a particularly unsavory chapter in history and unleash the predatory practices seen in California and elsewhere upon the entire nation.”

In contrast to California, Hill noted, Wisconsin and many Southeastern states resisted full-scale deregulation and restructured their systems under the watchful eye of public regulators. “The states that resisted radical deregulation have also been free from wild price swings and economic disruption,” Hill said.

Hill said it was prudent of Congress not to embrace radical deregulation in the beginning of the movement in the 1990s, and said the experience of the states since then showed clearly that the pending energy bill should not be passed.

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