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104TH CONGRESS
1ST SESSION

H. R. 912

To permit registered utility holding companies to participate in the provision of telecommunications services.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 1995

Mr. GILLMOR (for himself, Mr. BOUCHER, Mr. FIELDS of Texas, Mr. HALL of Texas, Mr. HASTERT, and Mr. TAUZIN) introduced the following bill; which was referred to the Committee on Commerce

A BILL

To permit registered utility holding companies to participate in the provision of telecommunications services.

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

3 **SECTION 1. PARTICIPATION BY REGISTERED UTILITY**
4 **HOLDING COMPANIES IN PROVIDING TELE-**
5 **COMMUNICATIONS SERVICES.**

6 (a) IN GENERAL.—(1) Notwithstanding any and all
7 provisions of the Public Utility Holding Company Act of
8 1935, any subsidiary company, affiliate, or associate com-
9 pany of a registered holding company, except a public-util-
10 ity company, may engage in, directly or indirectly, any ac-

1 tivity whatsoever, wherever located, necessary or appro-
2 priate to the provision of telecommunications services, in-
3 formation services, or other services or products subject
4 to the jurisdiction of the Federal Communications Com-
5 mission under the Communications Act of 1934, or energy
6 management or demand-side management services.

7 (2) The Securities and Exchange Commission shall
8 have no jurisdiction under the Public Utility Holding
9 Company Act of 1935, over a registered holding company,
10 or any subsidiary company, affiliate, or associate company
11 thereof engaging in any activities described in subsection
12 (a)(1), to enforce any requirement with respect to such
13 Act, or to approve or otherwise review any such activity,
14 including (but not limited to) financing, investing in, ac-
15 quiring, or maintaining any interest or entering into affili-
16 ate transactions or contracts.

17 (b) PROHIBITION OF CROSS SUBSIDIZATION.—Noth-
18 ing in this section shall prevent the Federal Energy Regu-
19 latory Commission or a State commission from exercising
20 its jurisdiction to the extent otherwise authorized under
21 applicable law with respect to prohibiting cross subsidiza-
22 tion of the activities described in subsection (a) by a pub-
23 lic-utility company in its rates for electric or gas services.

24 (c) REQUIREMENT OF SEPARATE AFFILIATE.—

1 (1) SEPARATE AFFILIATE.—As provided in sub-
2 section (a), any activity authorized under such sub-
3 section shall be conducted only through a subsidiary
4 company, affiliate, or associate company that is sep-
5 arate from any public-utility company providing elec-
6 tric or gas services. The subsidiary company, affili-
7 ate, or associate company required by this sub-
8 section need not be separate from any other subsidi-
9 ary company, affiliate, or associate company that
10 does not provide electric or gas service.

11 (2) SEPARATE BOOKS.—Any subsidiary com-
12 pany, affiliate, or associate company engaging in any
13 activities described in subsection (a) shall maintain
14 separate books, records, or accounts which identify
15 all transactions involving such activities and provide
16 access to such books, records, or accounts to State
17 commissions and the Federal Energy Regulatory
18 Commission under the same terms and procedures
19 as provided in section 201(g) to the Federal Power
20 Act.

21 (d) INDEPENDENT AUDIT AUTHORITY FOR STATE
22 COMMISSIONS.—Any State commission with jurisdiction
23 over a public-utility company that is an associate company
24 of a registered holding company and that transacts busi-
25 ness with a subsidiary company, affiliate, or associate

1 company of such holding company engaging in any activi-
2 ties described in subsection (a) may request that the com-
3 pany engaging in such activities have performed, no more
4 frequently than on an annual basis, an independent audit
5 of transactions between such jurisdictional public-utility
6 company and such company engaging in such activities.
7 Upon such request from a State commission, the company
8 engaging in such activities shall select an independent
9 auditor and bear the costs of performing such an audit.
10 The audit report shall be provided to the State commission
11 within 6 months of the audit request.

12 (e) DEFINITIONS.—All of the terms used in this sec-
13 tion and defined in the Public Utility Holding Company
14 Act of 1935 shall have the same meanings as defined
15 therein.

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