

fact, the other day I cited him, when I was on a national program of State legislators and they asked, in terms of a model of a State to deregulate, what might it be. And I suggested the work of BOB KERREY of Nebraska when he was Governor. I observed his work in deregulating telecommunications in that State, and I certainly look forward to his insights.

We have worked on a bipartisan basis on this bill. In fact, all the Democrats on the Commerce Committee voted for the bill. Senator HOLLINGS did a good job. I visited with and delivered a copy of the original draft bill to each of the Democrats on the Commerce Committee.

Two Republicans on the committee voted against the bill. Eight Republicans on the committee voted for it. This is a bipartisan bill. All the Democrats on the committee voted for it. I think that is a very important point.

THE PUBLIC UTILITY HOLDING COMPANY ACT  
PROVISIONS

Mr. D'AMATO. Mr. President, today I rise to speak about certain provisions in S. 652, the Telecommunications Competition and Deregulation Act of 1995.

This bill contains provisions that would significantly alter the Public Utility Holding Company Act of 1935 (PUHCA). The PUHCA was originally enacted 60 years ago to simplify the utility holding company structure and ensure that consumers were protected from unfair rate increases. At that time, there were many industry abuses involving the pyramidal corporate structures of holding companies which greatly increased the speculative nature of securities issuances, led to market manipulation, and inflated the capital structure. The abuses in the industry made it nearly impossible for the States to adequately protect utility ratepayers.

The PUHCA limited the types of businesses that holding companies could acquire to utility related services. As reported out of the Commerce Committee, Sections 102 and 206 of the "Telecommunications Competition and Deregulation Act" would permit diversification of registered holding companies into the telecommunications business—without SEC approval or any other conditions. Allowing holding companies to diversify away from their traditional core utility operations is a departure from the basis principles underlying the 1935 Act.

Mr. President, my primary concern with these sections of the "Telecommunications Competition and Deregulation Act" is that losses resulting from the subsidiaries telecommunications activities could be passed on to public utility customers in the form of higher utility rates.

I would like to commend Senator PRESSLER and Senator LOTT for including my provision—which addresses these concerns—in the manager's amendment. My provision puts in place the proper consumer safeguards to pro-

tect electric utility ratepayers and stockholders from bearing the costs of diversification by registered holding companies into telecommunications activities.

It requires the Federal Communications Commission, the Federal Energy Regulatory Commission, and the State regulators to monitor the activities and practices of both the subsidiaries and the parent holding companies that engage in telecommunications activities in order to ensure that utility consumers pay only what they get.

For example, my provision would ensure that telecommunications-related activities are conducted in a separate subsidiary of the holding company. It would also provide the States with the appropriate regulatory, investigatory, and enforcement authority to protect utility consumers. To this effect, it would require the States to approve any rate increases by those utility companies that have a telecommunications subsidiary. As a result, the States can examine the proposed rate increase to make sure it is justified and that utility customers are not subsidizing the holding company's telecommunications-related costs.

The Banking Committee has consulted the SEC as well as industry and consumer representatives in crafting this provision to make sure appropriate safeguards will allow the holding companies to diversify without negative consequences to utility customers. We have struck a reasonable balance. As a conferee on the Telecommunications Competition and Deregulation Act of 1995, I will be in a position to make certain that this balance is preserved.

At the same time, I would add that the Banking Committee intends to examine the continuing need for the PUHCA once the Securities and Exchange Commission releases its report and recommendations on repeal or reform of the Act.

I would like to thank Senator PRESSLER, Senator LOTT, Senator BUMPERS, Senator SARBANES, and their staffs for their cooperation on this issue.

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MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

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EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Finance.

(The nominations received today are printed at the end of the Senate proceedings.)

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-146. A petition from a citizen of the State of Indiana relative to taxes; to the Committee on the Judiciary.

POM-147. A resolution adopted by the Board of Representatives, Otsego County, New York relative to local government resources; to the Committee on the Judiciary.

POM-148. A resolution adopted by the Council of the City of Alexandria, Virginia relative to the flag; to the Committee on the Judiciary.

POM-149. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on the Judiciary.

"SENATE CONCURRENT RESOLUTION 1018

"Whereas, the people of the State of Arizona believe that state legislatures should be provided with a method of offering amendments to the Constitution of the United States: Therefore be it

*Resolved by the Senate of the State of Arizona, the House of Representatives concurring:*

"1. That the Congress of the United States propose to the people of the United States an amendment to the Constitution of the United States to amend the Constitution of the United States as follows:

"ARTICLE V—AMENDMENT OF THE  
CONSTITUTION

"The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no States, without its Consent, shall be deprived of its equal Suffrage in the Senate.

"Whenever three-fourths of the legislatures of the States deem it necessary, they shall propose amendments to this Constitution. These proposed amendments are valid for all intents and purposes two years after these amendments are submitted to Congress unless both Houses of Congress by a two-thirds vote disapprove the proposed amendments within two years after their submission.

"2. That the Secretary of State of the State of Arizona transmit copies of this Concurrent Resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the President of the Senate and the Speaker of the House of Representatives of each state's legislature of the United States of America, and the Arizona Congressional Delegation."

POM-150. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on the Judiciary.

"SENATE CONCURRENT RESOLUTION 1006

"Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

"1. The following Declaration of Sovereignty is adopted:

"Section 1:

"A. We, the legislature of the State of Arizona, hereby reaffirm the sovereignty of the states and of the people.