

80TH CONGRESS
1ST SESSION

H. R. 3969

IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 1947

Mr. HORAN introduced the following bill; which was referred to the Committee on Public Works

A BILL

To establish a Columbia Interstate Commission, 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,*

3 DECLARATION OF PURPOSES

4 SECTION 1. It is hereby declared to be the purpose of
5 this Act to encourage and provide for the taking of appro-
6 priate action in the region of the Columbia River System—

7 (a) For purposes of flood control and prevention;

8 (b) To assure water for domestic and municipal water
9 systems;

10 (c) To improve and safeguard navigation;

11 (d) For reclamation and irrigation of lands;

1 (e) For soil conservation and utilization and for forest
2 and wildlife conservation;

3 (f) For power development and utilization;

4 (g) To encourage the spread and growth of private
5 industry through making the natural resources of the region
6 more readily accessible;

7 (h) For establishing recreational facilities and promot-
8 ing sanitation; and

9 (i) To otherwise preserve, develop, and utilize the
10 natural resources of such region so as to foster and protect
11 commerce among the several States, strengthen the national
12 defense, and promote the general welfare.

13 COLUMBIA INTERSTATE COMMISSION

14 SEC. 2. (a) To carry out the purposes of this Act,
15 there is hereby created a body corporate which shall be
16 known as the Columbia Interstate Commission (in this
17 Act referred to as the "Corporation"). The Corporation
18 shall maintain its principal office at a convenient place
19 in the region in which its activities are conducted.

20 (b) The Corporation shall be directed and controlled
21 by a board of directors (in this Act referred to as the
22 "Board") consisting of five members, citizens of the United
23 States, who shall be appointed by the President. One
24 member shall be appointed from among individuals, resi-
25 dents of the State of Idaho, recommended by the Governor

1 of the State of Idaho; one member shall be appointed from
2 among individuals, residents of the State of Montana, recom-
3 mended by the Governor of the State of Montana; one mem-
4 ber shall be appointed from among individuals, residents
5 of the State of Oregon, recommended by the Governor of
6 the State of Oregon; and one member shall be appointed
7 from among individuals, residents of the State of Washing-
8 ton, recommended by the Governor of the State of Wash-
9 ington. The members shall annually elect one of their
10 number to be the Chairman of the Board.

11 (c) The terms of office of the members first taking
12 office shall expire as designated by the President at the time
13 of nomination, one at the end of the third year, one at the
14 end of the fourth year, one at the end of the fifth year, one
15 at the end of the sixth year, and one at the end of the
16 seventh year, after the date of enactment of this Act. A
17 successor to a member of the Board shall be appointed in
18 the same manner as the original member he is appointed
19 to succeed, and, except for instances in which subsection
20 (d) of this section is applicable, shall have a term of office
21 expiring seven years from the date of the expiration of the
22 term for which his predecessor was appointed.

23 (d) Any member appointed to fill a vacancy in the
24 Board occurring prior to the expiration of the term for which
25 his predecessor was appointed shall be appointed for the

1 remainder of such term, and upon the expiration of his term
2 of office a member shall continue to serve until his successor
3 is appointed and has qualified.

4 (e) Vacancies in the Board, so long as there shall be
5 three members in office, shall not impair the powers of the
6 Board to execute the functions of the Corporation, and three
7 of the members in office shall constitute a quorum for the
8 transaction of the business of the Board.

9 (f) Each member of the Board shall receive a salary at
10 the rate of \$15,000 a year, to be paid by the Corporation
11 as current expenses. Members of the Board shall be re-
12 imburSED by the Corporation for actual expenses (including
13 traveling expenses) incurred by them in the performance
14 of the duties vested in the Board by this Act, or may receive
15 a per diem of \$10 per day in lieu of actual subsistence ex-
16 penses. No member of the Board shall, during his continu-
17 ance in office, be engaged in any other business, but each
18 member shall devote himself wholly to the work of the
19 Corporation.

20 COLUMBIA INTERSTATE ADVISORY COUNCIL

21 SEC. 3. (a) There is hereby created a Columbia Inter-
22 state Advisory Council (in this Act referred to as the
23 "Advisory Council") with which the Board shall regularly
24 advise and consult. The Advisory Council shall consist of—

1 (1) the Governors of the States of Idaho, Oregon,
2 Montana, and Washington;

3 (2) the members of the State commissions which
4 it is suggested, by subsection (b), that the States of
5 Idaho, Oregon, Montana, and Washington establish;
6 and

7 (3) the Director of Conservation and Development
8 (or the equivalent officer) of the State of Wyoming.

9 (b) It is suggested that the States of Idaho, Oregon,
10 Montana, and Washington each establish a Columbia Basin
11 Commission consisting of the director of conservation and
12 development (or the equivalent officer) and six other mem-
13 bers, to represent the State on the Advisory Council and to
14 perform such other functions as may be provided by State
15 law.

16 (c) The Advisory Council shall elect a chairman from
17 among the members thereof.

18 (d) Twenty-one members shall constitute a quorum for
19 the exercise of the functions of the Advisory Council.

20 (e) The Advisory Council shall create an executive
21 committee of nine from among its members, and may dele-
22 gate to such committee any of the functions of the Advisory
23 Council under this Act.

24 (f) The Advisory Council shall have power to adopt

1 bylaws, not inconsistent with this Act, to govern its pro-
 2 ceedings and activities and the proceedings and activities of
 3 the executive committee.

4 (g) The members of the Advisory Council may receive
 5 such reasonable compensation for their services as the Cor-
 6 poration may determine, an additional amount of \$10 per day
 7 for subsistence expenses while away from their homes, and
 8 their actual traveling expenses.

9 (h) The Advisory Council shall meet at the call of
 10 its chairman and at the call of the Corporation; and in any
 11 event shall meet at least once each year, and at such other
 12 times as may be necessary, for purposes of the exercise of
 13 its functions in connection with the carrying out of this Act.

14 (i) No proposal for the carrying out of the purposes
 15 of this Act shall be presented to the President or Congress
 16 by the Corporation, under section 4, unless such proposal
 17 shall have first been submitted to the Advisory Council
 18 and such council shall have had at least three months after
 19 such submission within which to present to the Corporation
 20 its views regarding such proposal.

21 PRESENTATION OF PROPOSALS TO THE PRESIDENT AND
 22 CONGRESS

23 SEC. 4. (a) The Corporation is hereby authorized and
 24 directed, after conducting such surveys and investigations
 25 as it deems necessary or proper, and enlisting the advice

1 and assistance of appropriate local, State, and Federal gov-
 2 ernmental agencies, educational institutions, and private
 3 organizations, to formulate and, subject to the requirements
 4 of section 3 relating to the submission of proposals to the
 5 Advisory Council, present to the President and Congress,
 6 from time to time and with all possible expedition, proposals
 7 for carrying out the purposes declared in section 1 of this
 8 Act.

9 (b) The proposals made by the Corporation under sub-
 10 section (a) shall be in sufficient detail to provide the Presi-
 11 dent, the Congress, the Advisory Council, and the people
 12 and institutions of the region with reasonably specific in-
 13 formation as to—

14 (1) the water control and utilization policy and
 15 program which should be established and maintained;

16 (2) the nature, scope, and general location of the
 17 projects and activities recommended; the estimated costs
 18 and benefits thereof, with an allocation made for that
 19 portion of the total cost to be allocated to each specific
 20 intended benefit; a proposal setting forth the intended
 21 means of financing such activity, whether it be by ap-
 22 propriation of funds by the Congress or by the sale of
 23 revenue bonds or other means; and a statement as to
 24 the feasibility and reimbursability of such activities in
 25 accordance with the terms of this Act; and

(3) the order of preference and priority which should be followed in the construction and carrying out of such projects and activities in the light of the conditions involving the national defense or welfare existing and anticipated.

(c) There shall be attached to any proposal presented to the President and Congress as authorized in subsection

(a) a full report made thereon by the Advisory Council.

Any proposal so presented shall lie before the Congress for its consideration for a period of not to exceed four legislative months. If not affirmatively disapproved by the Congress by joint resolution within such period, the proposal shall be deemed to be effective as of that date, and the provisions thereof shall be carried out in accordance with their terms, subject to the provisions of this Act.

STATE COMPACTS

SEC. 5. The consent of the Congress, subject to the provisions of this section, is hereby given the several States to enter into agreements and compacts between or among any two or more States (1) to further and supplement on behalf of the States the purpose of this Act; and (2) to carry out on behalf of the States appropriate projects and activities in relation thereto; but no such agreement or compact shall become effective or binding upon the States parties thereto unless and until it shall have been submitted

to the Corporation and ratified by Congress. The Corporation shall recommend the ratification of any such agreement or compact if it finds such agreement or compact and the projects and activities contemplated thereby, to be feasible, practicable, and appropriate to and consistent with the policies and purposes of this Act, and shall, insofar as practicable, cooperate with and furnish information and assistance to the States for the purposes of negotiating, entering into, and carrying out agreements and compacts pursuant to this section.

STATE LAWS RELATING TO WATER

SEC. 6. Nothing in this Act shall be construed as affecting or interfering in any way with the laws of any State relating to the control, appropriation, use, or distribution of water, or as annulling or limiting any vested right acquired thereunder.

GENERAL PROVISIONS AS TO CORPORATION'S ACTIVITIES

SEC. 7. (a) In exercising and performing its powers and duties under this Act, the Corporation—

(1) shall recognize the doctrine of beneficial consumptive use of water, and in the event of any conflict between the purposes for which the waters of the Columbia region may be used, such waters shall be devoted to (A) domestic, irrigation, mining, and industrial pur-

poses, (B) flood control, (C) navigation, and (D) power, in that order of priority;

(2) shall make its power and water projects collectively self-supporting and self-liquidating;

(3) shall confine itself to those activities which are not properly in the province of private industry or which are of such a nature as to be in the public interest and yet beyond the means or willingness of private industry to provide; and

(4) shall recognize and utilize to the fullest possible extent the advice and cooperation of the Advisory Council, and the authorities, advice, assistance, and cooperation of the people of the region and their public and private organizations—local, State, and Federal.

(e) The Corporation shall advise and cooperate in connection with the readjustment problems of population displaced by the construction of dams, the protection of watersheds, the acquisitions of rights-of-way, and other necessary acquisitions of land, in order to effectuate the purposes of this Act; and shall act with Federal, State, and local agencies, including the Advisory Council, to that end.

UTILIZATION OF EXISTING AGENCIES

SEC. 8. (a) The Corporation shall, so far as practicable, construct or operate any project or conduct any activity

entrusted to it through, or in cooperation with, other departments and agencies of the United States, and may construct or operate any such project or conduct any such activity, if in its judgment the interest of economy and efficiency will be served thereby, through, or in cooperation with States, counties, municipalities, or subdivisions or agencies thereof, including local drainage, soil conservation, and power districts, or cooperative, educational, scientific, charitable, or nonprofit agencies. The departments and agencies of the United States are hereby authorized to participate in the construction or operation of such projects or the conduct of such activities on terms mutually agreeable to such department or agency and the Corporation.

(b) The Corporation is authorized to request the assistance and advice of any department or agency of the United States, or of any officer, agent, or employee thereof, to enable the Corporation the better to carry out its powers and duties successfully, and the President shall, if in his opinion the public interest, service, or economy so require, direct that such assistance, advice, and service be rendered to the Corporation.

GENERAL POWERS OF THE CORPORATION

SEC. 9. (a) The Corporation (1) shall have succession in its corporate name; (2) may adopt and use a corporate seal which shall be judicially noticed; (3) may adopt,

1 amend, and repeal bylaws; (4) may sue and be sued in its
2 corporate name and may settle and adjust claims held by it
3 against other parties or persons and by other parties and
4 persons against it.

5 (b) To the extent necessary to carry out, in accordance
6 with their terms, proposals which have become effective as
7 provided in section 4, the Corporation, subject to the provi-
8 sions of this Act—

9 (1) may construct, acquire, operate, conduct, and
10 carry out such projects, works, plants, structures, facili-
11 ties, equipment, and activities as may be necessary or
12 appropriate;

13 (2) may acquire, by purchase, lease, condemnation,
14 or donation such real and personal property and any
15 interest therein, and may sell, lease, or otherwise dispose
16 of any real and personal property and any interest
17 therein, as in its judgment may be necessary or appro-
18 priate, subject to the following:

19 (A) The provisions of section 355, Revised
20 Statutes (40 U. S. C. 255), as amended, shall be
21 inapplicable to acquisitions by the Corporation.

22 (B) The Corporation may not acquire the
23 electric or water system of any county, municipality,
24 or other State political subdivision, through the
25 exercise of the power of eminent domain, if the

1 county, municipality, or other State political sub-
2 division opposes such acquisition: *Provided*, That
3 the foregoing shall not preclude the Corporation
4 from exercising the power of eminent domain to
5 acquire an easement for a right-of-way over, under,
6 or across any such electric or water system or portion
7 thereof for the electric or water transmission system
8 of the Corporation, nor shall it preclude the Cor-
9 poration from acquiring any such system or part
10 thereof when the construction or operation of a
11 dam or reservoir by the Corporation will render
12 useless the system or the part thereof sought to be
13 acquired.

14 (C) The Corporation shall not dispose of any
15 real property on which is located a permanent dam,
16 hydraulic power plant, or munitions plant here-
17 tofore or hereafter constructed by or on behalf of
18 the United States or the Corporation, or which has
19 a value in excess of \$1,000,000.

20 Title to property, with the exception of that owned by
21 the United States and entrusted to the Corporation as
22 agent of the United States, shall be taken in the name
23 of the Corporation. Conveyances of real and personal
24 property, or interests therein, shall be in the name of
25 the Corporation or the United States of America, de-

1 pending on the holder of the title, and may be by war-
 2 ranty deed, bill of sale with warranty of title, or other-
 3 wise, which may be executed by any director, or by
 4 such other person or persons as the Board may designate,
 5 such designation to be filed with the Director of the
 6 Division of the Federal Register, The National Archives,
 7 and to be published in the Federal Register;

8 (3) may accept custody of, maintain, repair, alter,
 9 use, and operate such real and personal property of
 10 the United States which may be entrusted to it by the
 11 United States;

12 (4) may produce electric power, may transmit to
 13 centers of retail load areas and its terminal substations
 14 thereat, sell at wholesale to major public or private con-
 15 sumers or retail distributors thereof, and dispose of
 16 surplus power and water, and may engage in other
 17 activities in furtherance of the purposes of this Act;

18 (5) may purchase and acquire such insurance as it
 19 deems necessary or appropriate to carry out the powers
 20 conferred upon it by law; and

21 (6) may enter into such contracts and agreements
 22 and exercise such powers and do such things as it may
 23 determine to be necessary or appropriate to carry out
 24 the powers and duties now or hereafter conferred upon
 25 it by law.

1 PROVISIONS AS TO EXERCISE OF POWER OF EMINENT

2 DOMAIN

3 SEC. 10. Proceedings for the acquisition of property by
 4 condemnation may be instituted by the Corporation in its
 5 own name. Such proceedings shall be instituted in the
 6 United States district court for the district in which the
 7 property, or any part thereof, is located. The rights con-
 8 ferred upon the United States by the Act of February 26,
 9 1931 (46 Stat. 1421), which Act is hereby declared to be
 10 applicable to the Corporation, are granted to the Corporation
 11 in proceedings brought in its own name, the Corporation
 12 being deemed to be the United States within the meaning
 13 of that Act.

14 BONNEVILLE PROJECT

15 SEC. 11. (a) On the first day of the third calendar
 16 month following the date of enactment of this Act, or on
 17 the first day of the calendar month following the date on
 18 which three members of the Board have been appointed and
 19 have qualified, whichever is later—

20 (1) the exclusive use, possession, and control of the
 21 Bonneville project, including the Bonneville Dam, and
 22 the Bonneville transmission system, together with all
 23 real estate, buildings, powerhouses, hydroelectric and
 24 operating appurtenances (including the locks), books,
 25 records, and correspondence connected therewith, all

1 tools and machinery, equipment, accessories, and ma-
 2 terials belonging thereto, and all laboratories and plants
 3 used as auxiliaries thereto, shall be entrusted to the
 4 Corporation for the purposes of this Act: *Provided*, That
 5 such of the employees of the Bonneville Power Adminis-
 6 tration as may be requested by the Board shall be
 7 transferred to the Corporation; and

8 (2) the unexpended balances of the appropriations
 9 for the construction, operation, and maintenance of said
 10 project and transmission system shall be transferred to
 11 the Corporation and shall be placed in a single account
 12 with, and shall be available for expenditure in carrying
 13 out the purposes of this Act in the same manner and
 14 to the same extent as, other funds of the Corporation.

15 (b) Effective as of the date the transfers authorized by
 16 subsection (a) becomes effective, the Act of August 20,
 17 1937, entitled "An Act to authorize the completion, main-
 18 tenance, and operation of Bonneville project for navigation,
 19 and for other purposes" (50 Stat. 731), as amended, is
 20 repealed.

21 FACILITATING DISPOSITION OF SURPLUS WATER

22 SEC. 12. In order to facilitate the disposition of the sur-
 23 plus water of the Corporation according to the policies set
 24 forth in this Act, the Corporation is authorized—

1 (a) To assist and render services for any existing or
 2 potential purchaser of water in constructing, acquiring, im-
 3 proving, maintaining, and operating the water, transmission,
 4 and distribution facilities of such purchaser or potential pur-
 5 chaser;

6 (b) To advise and cooperate with States, districts, coun-
 7 ties, municipalities, cooperatives, and nonprofit organizations,
 8 and local groups desiring to form such districts, municipalities,
 9 cooperatives, and nonprofit organizations within distance per-
 10 mitting practicable purchase and utilization of water stored
 11 and available for sale at any work or facility of the Cor-
 12 poration; and

13 (c) To extend credit to, and to assist and render services
 14 for, such agencies and organizations in constructing, acquir-
 15 ing, improving, maintaining, financing, and operating canals,
 16 conduits, laterals, pipe lines, ditches, siphons, and incidental
 17 works and facilities, or in acquiring any interest therein.

18 FACILITATING DISPOSITION OF SURPLUS POWER

19 SEC. 13. In order to facilitate the disposition of the
 20 surplus power of the Corporation according to the policies
 21 set forth in this Act, to give effect to the priority herein
 22 accorded to public and cooperative agencies and local groups
 23 in the purchase of such power and at the same time to
 24 preserve existing private or public distribution facilities

1 as going concerns and avoid duplication of such facilities
2 wherever possible, the Corporation is authorized—

3 (a) To assist and render services for any existing or
4 potential purchaser of electric energy in constructing, acquir-
5 ing, improving, maintaining, and operating the electrical
6 distribution lines and other facilities of such purchaser or
7 potential purchaser;

8 (b) To construct transmission lines and accessories
9 connected therewith connecting power-generating plants
10 owned or under construction by the Corporation and trans-
11 mitting electric power from such plants to major present
12 or potential centers of retail load areas in the Region,
13 together with such intermediate and terminal substations
14 as may be necessary to make such power available and
15 usable to such purchaser or potential purchaser; and

16 (c) To assist and render technical information and
17 services to such agencies and groups in constructing, improv-
18 ing, maintaining and operating (1) distribution facilities
19 and incidental works, including generating plants; and
20 (2) interconnecting transmission lines.

21 PROVISIONS AS TO DISPOSITION OF ELECTRIC ENERGY

22 SEC. 14. (a) Contracts for the sale of electric energy
23 shall contain such terms and conditions, including provisions
24 to insure that resale to the ultimate consumer shall be at
25 rates which are reasonable and nondiscriminatory, as the

1 Corporation may deem necessary or desirable for carrying
2 out the purposes of this Act, and in case the purchaser shall
3 fail to comply with any such terms and conditions, said
4 contract may provide that it may be canceled at the election
5 of the Corporation.

6 (b) Schedules of rates at which electric energy will be
7 contracted for sale shall be published by the Corporation
8 and may be changed, withdrawn, or added to from time to
9 time. All contracts for the sale or disposition of electric
10 energy, other than for exchanges, shall provide for pay-
11 ment pursuant to a schedule or schedules so published. The
12 Corporation shall publish such rate schedules as it finds
13 necessary or appropriate to provide adequate markets and
14 outlets for electric energy and to encourage the widest pos-
15 sible use of electric energy: *Provided*, That its rate schedules
16 collectively shall have regard (upon the basis of the applica-
17 tion of such rate schedules to the capacity of the contem-
18 plated electric facilities of the Corporation) to the recovery
19 of the costs of generating and transmitting such electric
20 energy, including appropriate reserves for maintenance and
21 upkeep and the higher of the following:

22 (1) Amortization over a reasonable period of
23 years of the capital investment allocated to commercial
24 power, plus interest on the unamortized portion of such
25 investment at an annual rate not less than the annual

1 cost of money to the Treasury Department on Treasury
2 bonds having a maturity date of ten years or more
3 issued during the period in which the unamortized in-
4 vestment was incurred; or

5 (2) Amortization over a reasonable period of years
6 of the capital investment allocated to commercial power
7 plus the capital investment allocated to purposes other
8 than commercial power but assigned to be repaid out of
9 power revenues.

10 In order to distribute the benefits of integrated transmis-
11 sion systems and to promote the equitable distribution of
12 electric energy, rate schedules shall provide for uniform
13 rates, or rates uniform to all customers throughout prescribed
14 transmission areas.

15 PAYMENT OF NET PROCEEDS INTO TREASURY; ACCOUNTS
16 AND REPORT; AUDIT BY COMPTROLLER GENERAL

17 SEC. 15. (a) The net proceeds for each fiscal year
18 derived by the Corporation from the sale of power and
19 water, and from any other activities of the Corporation, in-
20 cluding the disposition of any real or personal property,
21 after deducting the cost of operation, maintenance, deprecia-
22 tion, interest on bonds, amortization, and an amount deemed
23 by the Board as necessary to withhold as operating capital,
24 shall be paid into the Treasury of the United States at the
25 end of each calendar year, save and except such part of such

1 proceeds, not exceeding 10 per centum, as in the opinion
2 of the Board, with the advice and consent of the Advisory
3 Council, shall be necessary for the Corporation in the opera-
4 tion or improvement of dams and reservoirs, in generating,
5 transmitting, and distributing electric energy or improving
6 the facilities therefor, in carrying on other activities, and to
7 defray emergency expenses and to insure continuous
8 operation.

9 (b) The Corporation shall at all times maintain com-
10 plete and accurate books of account. In January of each
11 year the Board shall file with the President and the Congress
12 a financial statement and a complete report as to the business
13 of the Corporation covering the preceding governmental
14 fiscal year.

15 (c) Subject to the provisions of this section, the Cor-
16 poration shall determine and prescribe the manner in which
17 its obligations and expenses shall be incurred, allowed, paid,
18 and audited: *Provided*, That in addition to such other audits
19 as the Corporation may deem necessary or desirable, if any,
20 the Comptroller General of the United States shall audit the
21 transactions of the Corporation at such times as he shall de-
22 termine, but not less frequently than once each governmental
23 fiscal year, with personnel of his selection. In such con-
24 nection he and his representatives shall have free and open
25 access to all papers, books, records, files, accounts, plants,

1 warehouses, offices, and all other things, property, and places
 2 belonging to or under the control of or used or employed by
 3 the Corporation, and shall be afforded full facilities for count-
 4 ing all cash and verifying transactions with and balances in
 5 depositories. He shall make report of each such audit in
 6 quadruplicate, one copy for the President of the United
 7 States, one for the chairman of the Board, one for public
 8 inspection at the principal office of the Corporation, and the
 9 other to be retained by him for the uses of Congress: *Pro-*
 10 *vided*, That such report shall not be made until the Corpora-
 11 tion shall have had reasonable opportunity to examine the
 12 exceptions and criticisms of the Comptroller General or the
 13 General Accounting Office, to point out errors therein, ex-
 14 plain or answer the same, and to file a statement which shall
 15 be submitted by the Comptroller General with his report.
 16 The expenses for each such audit shall be paid from any
 17 appropriation or appropriations for the General Accounting
 18 Office, and such part of such expenses as may be allocated
 19 to the cost of generating, transmitting, and distributing elec-
 20 tric energy shall be reimbursed promptly by the Corporation
 21 as billed by the Comptroller General. The Comptroller
 22 General shall make special report to the President of the
 23 United States and to the Congress of any transaction or con-
 24 dition found by him to be in conflict with the power or duties
 25 entrusted to the Corporation by law.

1 (d) Nothing in this Act shall be construed to relieve
 2 the treasurer or other accountable officers or employees of
 3 the Corporation from compliance with the provisions of
 4 existing law requiring the rendition of accounts for adjust-
 5 ment and settlement pursuant to section 236, Revised
 6 Statutes, as amended by section 305 of the Budget and
 7 Accounting Act, 1921 (42 Stat. 24), and accounts for all
 8 receipts and disbursements by or for the Corporation shall
 9 be rendered accordingly: *Provided*, That subject only to
 10 the provisions of this Act, the Corporation is authorized to
 11 enter into such contracts, agreements, and arrangements,
 12 including the amendment, modification, adjustment, or can-
 13 cellation thereof, and the compromise or final settlement of
 14 any claim arising thereunder, and of all litigation by or
 15 against the Corporation, and to make such expenditures,
 16 upon such terms and conditions and in such manner, as it
 17 may deem necessary and, notwithstanding the provisions of
 18 any other law governing the expenditure of public funds,
 19 the General Accounting Office, in the settlement of the
 20 accounts of the treasurer or other accountable officer or
 21 employee of the Corporation, shall not disallow credit for,
 22 nor withhold funds because of, any expenditure which the
 23 Board shall determine to have been necessary to carry out
 24 the provisions of this Act.
 25 (e) The Corporation shall determine its own system

1 of administrative accounts and the forms and contents of
 2 its contracts and other business documents except as other-
 3 wise provided in this Act, except that such system shall be
 4 subject to the approval of the Comptroller General.

5 PURCHASES AND CONTRACTS FOR SUPPLIES OR SERVICES

6 SEC. 16. All purchases and contracts for supplies or
 7 services, except for personal services, made by the Corpora-
 8 tion shall be made after advertising, in such manner and at
 9 such times sufficiently in advance of opening bids, as the
 10 Board shall determine to be adequate to insure notice and
 11 opportunity for competition: *Provided, however,* That ad-
 12 vertisement shall not be required when (1) the Corporation
 13 determines that an emergency or insurance of continuous
 14 operation requires immediate delivery of the supplies or
 15 performance of the services; or (2) parts, accessories, sup-
 16 plemental equipment, extensions, additions, or services are
 17 required for supplies, facilities, or services previously fur-
 18 nished, constructed, or contracted for; or (3) the aggregate
 19 amount involved in any purchase of supplies or procurement
 20 of services does not exceed \$500; in which cases such
 21 purchases of supplies or procurement of services may be
 22 made in the open market in the manner common among
 23 businessmen. In comparing bids and in making awards,
 24 the Board may consider such factors as relative quality and
 25 adaptability of supplies or services, the bidder's financial

1 responsibility, plant, equipment and facilities, skill, experi-
 2 ence, record of integrity in dealing, previous record of
 3 performance and compliance with specifications, and ability
 4 to furnish repairs and maintenance services, and the time of
 5 delivery or performance offered. The Corporation shall
 6 undertake no work of construction under this Act by force
 7 account, or on a hired labor basis, except for management
 8 and operation, maintenance and repairs, engineering and
 9 supervision, routine minor and incidental construction work,
 10 or in case of emergencies, local in character, so declared by
 11 the Board.

12 ISSUANCE OF OBLIGATIONS AND USE OF PROCEEDS

13 SEC. 17. The Corporation, with the advice and consent
 14 of the Advisory Council, is authorized to issue and sell or
 15 exchange from time to time revenue bonds, revenue notes,
 16 and revenue obligations (all of which are hereinafter re-
 17 ferred to as revenue bonds), and to use the proceeds thereof
 18 for carrying out proposals which have become effective pur-
 19 suant to the provisions of section 4 of this Act and for pur-
 20 chasing, refunding, or redeeming outstanding revenue bonds.
 21 The face amount of obligations outstanding at any one time
 22 shall not exceed in the aggregate \$. The interest
 23 and principal and other charges on such revenue bonds shall
 24 be paid only from the revenues from the activities carried
 25 on by the Corporation pursuant to this Act. The said reve-

1 nue bonds shall express on their face that they are not direct
 2 obligations of the United States, and that the payment of the
 3 principal and interest on the bonds is not guaranteed by the
 4 United States. Such revenue bonds shall be issued in such
 5 series and in such forms and denominations, shall mature
 6 within such period not more than fifty years from the date
 7 of their issue, may provide for redemption before maturity
 8 at the option of the Corporation or through the operation
 9 of any sinking fund in such manner and on such terms as
 10 may be stipulated therein, may carry such registration and
 11 conversion provisions, shall contain such provisions with re-
 12 spect to negotiability, may require the establishment of such
 13 sinking funds, shall bear such rates of interest, shall include
 14 such terms, conditions, and covenants not inconsistent with
 15 this Act, shall be issued in such manner and amount, and
 16 shall be sold at such prices and in such manner as may be
 17 prescribed by the Corporation: *Provided*, That none of the
 18 properties or moneys of the Corporation or of the United
 19 States which are entrusted to the Corporation, other than
 20 the revenues from the activities carried on by the Corpora-
 21 tion, shall be pledged or mortgaged as security for any such
 22 revenue bonds or for any other purpose. The Corporation is
 23 authorized to execute such indentures, agreements, and other
 24 instruments as it may determine to be necessary to set forth
 25 the terms and conditions upon which revenue bonds are or

1 may be issued under this Act. Such revenue bonds shall be
 2 lawful investments, and may be accepted as security for all
 3 fiduciary, trust, and public funds, the investment or deposit
 4 of which shall be under the authority or control of the United
 5 States, or any officer or officers thereof. The Reconstruction
 6 Finance Corporation and the Secretary of the Treasury in
 7 their discretion are authorized to purchase any revenue bonds
 8 issued hereunder, and for such purpose the Secretary of the
 9 Treasury is authorized to use as a public-debt transaction the
 10 proceeds from the sale of any securities hereafter issued under
 11 the Second Liberty Bond Act, as amended, and the purposes
 12 for which securities may be issued under said Act, as
 13 amended, are extended to include any purchases of the cor-
 14 poration's revenue bonds hereunder. The Reconstruction
 15 Finance Corporation and the Secretary of the Treasury may,
 16 at any time, sell any of the revenue bonds of the corporation
 17 acquired by them under this section. All purchases and sales
 18 by the Secretary of the Treasury of the revenue bonds of the
 19 Corporation shall be treated as public-debt transactions of the
 20 United States. The Corporation shall have the power to
 21 purchase such revenue bonds in the open market at any time
 22 and at any price.

23 AUTHORIZATION FOR APPROPRIATIONS

24 SEC. 18. All funds required by the Corporation in
 25 addition to those derived from the sale of power and water,

1 and from other activities of the Corporation, and under
 2 section 17, shall be provided by appropriation in accordance
 3 with the procedures of the Budget and Accounting Act of
 4 June 10, 1921 (42 Stat. 20), except as otherwise provided
 5 herein. All appropriations necessary to carry out the pro-
 6 visions of this Act are hereby authorized.

7 PAYMENTS IN LIEU OF TAXES

8 SEC. 19. (a) Subject to the provisions of this section,
 9 the Corporation is authorized and directed to make the
 10 following payments in lieu of taxes:

11 (1) Payments shall be made in lieu of real and
 12 personal property taxes on any electric utility facilities
 13 or other property acquired by the Corporation.

14 (2) Payments shall be made in lieu of business,
 15 franchise, excise, and other similar State and local taxes
 16 allocable to any electric transmission or related facilities
 17 acquired and operated by the Corporation.

18 (3) Whenever the Corporation determines that
 19 the tax revenues of any State, county, district, or other
 20 taxing unit have been substantially affected by the ac-
 21 quisition of real or personal property or any interest
 22 therein by the Corporation other than property subject
 23 to clauses (1) and (2) of this subsection, and that the
 24 loss sustained thereby by such taxing unit has not been
 25 offset by gains derived by that unit from the operations

1 of the Corporation, payment in an amount equal to the
 2 excess of such loss over such gains shall be made in
 3 lieu of real and personal property taxes on such
 4 property.

5 (b) As soon as practicable after the Corporation
 6 acquires property on, or by virtue of the operation of, which
 7 payments in lieu of taxes are to be made, the Corporation
 8 shall determine the average amount of the taxes paid or
 9 payable to the taxing unit by the previous owners on or by
 10 virtue of the operation of such property during the last three
 11 years, or such portion thereof as the property was subject
 12 to taxation, preceding the Corporation's acquisition thereof,
 13 On the date or dates on which each such tax is next due
 14 and payable according to law, or as soon thereafter as
 15 practicable, and at the corresponding time or times during
 16 each succeeding year, the Corporation shall pay such
 17 average amount so determined to the respective officers or
 18 agencies to which said taxes would be paid had the property
 19 remained in private ownership, such payments to be dis-
 20 tributed in the same manner and in the same proportions
 21 as the taxes in lieu of which the payments are made or in
 22 such other manner or proportion as the State legislatures
 23 may direct.

24 (c) If the United States or any agency or instru-
 25 mentality thereof is required by statute or agreement author-

1 ized by statute to make any payments in lieu of taxes on
 2 any property, or to pay any portion of the revenue derived
 3 from any property, the use thereof or any products produced
 4 therefrom, transferred to the Corporation pursuant to this
 5 Act, the Corporation shall continue to make such payments
 6 after the consummation of the transfer. The payments pro-
 7 vided by this subsection shall be in lieu of any payments
 8 otherwise authorized by this section.

9 (d) No payment authorized by this section in lieu of
 10 any tax shall be made on account of properties which the
 11 Corporation shall have disposed of prior to the date on which
 12 such tax becomes due and payable. For the purposes of
 13 this section property owned or acquired by the United States
 14 shall be deemed to have been acquired by and to be the
 15 property of the corporation. The determination of the
 16 Corporation of the necessity of making any payments under
 17 this section and of the amounts thereof shall be final.

18 (e) The payments authorized under this section are in
 19 lieu of taxation and the corporation, its property, franchises,
 20 and income are hereby expressly exempted from taxation,
 21 liens, licenses, and fees in any manner or form by any State,
 22 county, municipality, or any subdivision or district thereof.

23 (f) The Advisory Council is authorized to make recom-
 24 mendations to the Corporation with regard to the carrying
 25 out of the provisions of this section.

VENUE OF SUITS

1 SEC. 20. (a) The Corporation shall be held to be an
 2 inhabitant and resident, within the meaning of the laws of
 3 the United States relating to the venue of civil suits, of the
 4 judicial district in which its principal office is located at
 5 the time of the commencement of suit. The district courts
 6 of the United States shall have original jurisdiction, without
 7 regard to the amount in controversy, over any proceeding
 8 brought by or against the Corporation. Any proceeding
 9 brought against the Corporation in a court of any State may
 10 be removed by the Corporation to the district court of the
 11 United States for the district in which the proceeding is
 12 pending, and, to effect such removal, it shall not be necessary
 13 that any other party or parties defendant join in the petition
 14 for removal. Except as otherwise provided herein, the pro-
 15 cedure for removal shall be according to the applicable laws
 16 of the United States relating to removal.

EMPLOYEES OF THE CORPORATION

18 SEC. 21. (a) The Corporation is authorized, without
 19 regard to the civil-service laws or the Classification Act of
 20 1923, as amended, to employ such managers, assistant man-
 21 agers, officers, employees, attorneys, agents, and consultants
 22 as are necessary for the transaction of its business, fix their
 23 compensation, define their duties, require bonds of such of
 24 them as the Board may designate, the premiums for which

1 shall be paid by the Corporation, and provide a system of
 2 organization to fix responsibility and promote efficiency.
 3 Any employee of the Corporation may be removed in the
 4 discretion of the Board. Subject to the provisions of this
 5 Act, the Corporation is authorized to deal collectively with
 6 its employees through representatives of their own choosing
 7 and is authorized to enter into written or oral contracts with
 8 such employee representatives. To the extent that any
 9 law or regulation governing the employment or payment
 10 of employees of the United States is inconsistent therewith,
 11 the said law or regulation shall not apply to matters covered
 12 by the Corporation's contracts with its employee repre-
 13 sentatives.

14 (b) Employees of the Corporation shall have rights
 15 with respect to security of tenure comparable to those pro-
 16 vided by the civil-service laws, and shall be protected to
 17 substantially the same extent as persons subject to such
 18 laws. Employees acquired by transfer from other establish-
 19 ments or agencies of the United States shall retain all pay,
 20 leave, and retirement credits which they held at the time
 21 of such transfer, and in case they subsequently are trans-
 22 ferred to positions under the civil-service laws, shall be
 23 credited for the purpose of seniority with the time spent
 24 as an employee of the Corporation.

25 (c) In the employment, selection, classification, and

1 promotion of officers and employees of the Corporation, no
 2 political test or qualification shall be permitted or given
 3 consideration, but all such employments and promotions shall
 4 be given and made on the basis of merit and efficiency:
 5 *Provided*, That no employment or compensation for services
 6 of any kind shall be made or given to any person who engages
 7 in a strike against the Government of the United States or
 8 who is a member of an organization of Government employees
 9 that asserts the right to strike against the Government of the
 10 United States, or who advocates, or is a member of an organi-
 11 zation that advocates, the overthrow of the Government of
 12 the United States by force or violence: *Provided further*,
 13 That for the purposes hereof an affidavit shall be considered
 14 prima facie evidence that the person making the affidavit
 15 has not contrary to the provisions of this section engaged in
 16 a strike against the Government of the United States, is not
 17 a member of an organization of Government employees that
 18 asserts the right to strike against the Government of the
 19 United States, or that such person does not advocate, and is
 20 not a member of an organization that advocates, the over-
 21 throw of the Government of the United States by force or
 22 violence: *Provided further*, That any person who engages
 23 in a strike against the Government of the United States or
 24 who is a member of an organization of Government employees
 25 that asserts the right to strike against the Government of the

1 United States, or who advocates, or who is a member of an
 2 organization that advocates, the overthrow of the Govern-
 3 ment of the United States by force or violence and accepts
 4 employment with any Federal agency operating under the
 5 provisions of this Act shall be guilty of a felony and, upon
 6 conviction, shall be fined not more than \$1,000 or im-
 7 prisoned for not more than one year, or both: *Provided*
 8 *further*, That the above penalty clause shall be in addition to,
 9 and not in substitution for, any other provisions of existing
 10 law: *Provided further*, That in cases of emergency, caused
 11 by fire, flood, storm, act of God, or sabotage, persons may
 12 be employed for periods of not more than thirty days and be
 13 paid salaries and wages without the necessity of inquiring
 14 into their membership in any organization.

15 (d) The benefits of the Act entitled "An Act to pro-
 16 vide compensation for employees of the United States suf-
 17 fering injuries while in the performance of their duties, and
 18 for other purposes", approved September 7, 1916, as
 19 amended, shall extend to persons given employment under
 20 the provisions of this Act; and the remedies afforded by
 21 such Act of September 7, 1916, as amended, shall be
 22 exclusive and in lieu of any other remedy.

23 (e) All persons given employment under the provisions
 24 of this Act, other than those whose tenure of employment
 25 is intermittent or temporary, shall be deemed to be "em-

1 ployees" within the meaning of that term in the Act of
 2 May 22, 1920 (41 Stat. 614), entitled "An Act for the
 3 retirement of employees in the classified civil service, and
 4 for other purposes", and all Acts amendatory thereof or
 5 supplementary thereto: *Provided*, That so long as any con-
 6 tract between the Corporation and its employee representa-
 7 tives provides that employees performing services for the
 8 Corporation pursuant thereto shall be entitled to the benefits
 9 of the Social Security Act, such services shall be deemed
 10 to be "employment" within the meaning of the Social
 11 Security Act and sections 1400 through 1432 of the Internal
 12 Revenue Code, and such employees, if they otherwise would
 13 be so classified, shall not be deemed to be employees within
 14 the meaning of said Act of May 22, 1920: *Provided further*,
 15 That any employee acquired in connection with any trans-
 16 fer pursuant to section 11 of this Act may file with the
 17 Corporation, within thirty days after his employment by
 18 the Corporation, an election to retain his status under the
 19 said Act of May 22, 1920, or the Social Security Act, as
 20 the case may be, at the time of such transfer. So long as
 21 any such contract provides that employees performing serv-
 22 ices for the Corporation pursuant thereto shall be entitled
 23 to unemployment compensation benefits, such services shall
 24 be deemed to be "employment" within the meaning of
 25 sections 1600 through 1611 of the Internal Revenue Code

1 if contributions upon the basis of the compensation due for
 2 such services are required to be paid under a State unem-
 3 ployment compensation act, and consent hereby is given
 4 to the States to require the Corporation to make payments
 5 to State unemployment compensation funds for services
 6 performed for it under any such contract. The Corporation
 7 is authorized to comply with the provisions of the Social
 8 Security Act, the Internal Revenue Code, and any applicable
 9 State unemployment compensation act as the employer of
 10 individuals whose service constitutes employment under such
 11 act, code, and laws by reason of this Act.

12 (f) All contracts to which the Corporation is a party,
 13 and which require the employment of laborers and me-
 14 chanics in the construction, alteration, maintenance, or
 15 repair of buildings, dams, locks, or other structures or facili-
 16 ties, shall contain a provision that not less than the prevail-
 17 ing rate of wages for work of a similar nature in the vicinity
 18 shall be paid to such laborers or mechanics. In the event
 19 any dispute arises as to what are the prevailing rates of
 20 wages, the question shall be referred to the Secretary of
 21 Labor for determination, and his decision shall be final.
 22 In the determination of such prevailing rate or rates, due
 23 regard shall be given to those rates which have been secured
 24 through collective agreement by representatives of employers
 25 and employees.

PENAL PROVISIONS

1
 2 SEC. 22. (a) All general penal statutes relating to the
 3 larceny, embezzlement, conversion, or to the improper
 4 handling, retention, use, or disposal of public moneys or
 5 property of the United States shall apply to the moneys and
 6 property of the Corporation and to moneys and properties
 7 of the United States entrusted to the Corporation.

8 (b) Any person who, with intent to defraud the Cor-
 9 poration, or to deceive any director, officer, or employee
 10 of the Corporation or any officer or employee of the United
 11 States (1) makes any false entry in any book of the Cor-
 12 poration, or (2) makes any false report or statement for
 13 the Corporation, shall, upon conviction thereof, be fined not
 14 more than \$10,000 or imprisoned not more than five years,
 15 or both.

16 (c) Any person who shall receive any compensation,
 17 rebate, or reward, or shall enter into any conspiracy, collu-
 18 sion, or agreement, express or implied, with intent to defraud
 19 the Corporation or wrongfully and unlawfully to defeat its
 20 purposes, shall, upon conviction thereof, be fined not more
 21 than \$5,000 or imprisoned not more than five years, or
 22 both.

SHORT TITLE

23
 24 SEC. 23. This Act may be cited as the "Columbia
 25 Interstate Commission Act".

80TH CONGRESS
1ST SESSION

H. R. 3969

A BILL

To establish a Columbia Interstate Commission,
and for other purposes.

By Mr. HORAN

JUNE 25, 1947

Referred to the Committee on Public Works