

Congress of the United States
Washington, DC 20515

URGE PAT WOOD AND NORA MEAD BROWNELL TO
RESPOND TO OUR APRIL RECUSAL LETTER
"The Fox Is Guarding The Henhouse"

May 31, 2002

Dear Colleague:

On April 23, we sent a letter to Pat Wood and Nora Mead Brownell of FERC, requesting that they recuse themselves from pending and future Enron investigations. In spite of the fact that 26 Members of Congress from every part of the country signed this letter, Chairman Wood and Commissioner Brownell have refused to respond. As we know, the influence that Kenneth Lay, the former CEO of Enron Corporation, had over both the appointment to the Federal Energy Regulatory Commission (FERC) of Pat Wood, III and Nora Mead Brownell, and the subsequent ascension to chairmanship of Mr. Wood is significant. It is with this troubling influence in mind that we made our request that the Commissioners immediately recuse themselves.

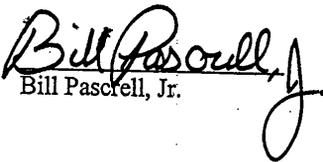
The facts surrounding their appointment are disturbing. Kenneth Lay's patronage of Pat Wood began in 1994 when he sent a letter to then Governor-elect Bush, urging him to appoint Wood to the Texas Public Utility Commission -- an agency that Wood chaired when he worked with Enron and other utilities to deregulate electricity in Texas. Once President Bush was elected, Kenneth Lay interviewed potential nominees to the FERC and presented the President's personnel director, Clay Johnson, with a list of his top choices. On that list were Mr. Wood and Ms. Brownell. A "litmus test" was presented to potential commissioners during these interviews wherein the nominees were made aware that they must either promote Enron's interests or not receive the appointment.

Recently, the investigation by the Senate Government Affairs Committee has revealed that a FERC internal inquiry into Enron, which began in May 2001 and ended in August 2001, was "more noteworthy for what it overlooked than for what it scrutinized, leaving consumers unprotected." The 2001 investigation ultimately settled for incomplete, unconvincing, or incorrect answers. This occurred at a time when internal Enron documents demonstrate that the company wanted to maintain unregulated status of its shady trading activities. In fact, Senate Chairman Lieberman stated "though the report identified a number of areas that ought to have troubled FERC as the federal government's lead energy regulator, it found no reason for concern and no cause for action."

FERC announced in February that it is investigating whether Enron and others manipulated power markets in Western states during last year's California energy crisis. In August 2001, during another "investigation," FERC's Pat Wood and Nora Mead Brownell seemed to ignore Enron's violations of the "just and reasonable" standard of the Federal Power Act when FERC concluded there was "no reason for concern and no cause for action." We all know what the result was.

For that reason I am asking you to join me in sending the attached letter to Chairman Wood and Commissioner Brownell, urging them to respond to our request that they recuse themselves from the Enron investigation. Please contact Mia Dell or Kim Zarish-Becknell at 225-5751 at Mr. Pascrell's office or Mary Niez of Mr. Filner's office at 225-8045 to sign on.

Sincerely,


Bill Pascrell, Jr.


Bob Filner


Bart Stupak

Members of Congress

June XX, 2002

Chairman Pat Wood, III
Commissioner Nora Mead Brownell
Federal Energy Regulatory Commission
888 First Street, N.E., Room 11H
Washington, DC 20426

Dear Chairman Wood and Commissioner Brownell:

In a letter dated April 23, 2002, 26 members of Congress wrote to you requesting that you recuse yourselves from the current, and any future, investigation into the activities of Enron Corporation. To this date, you have neglected to respond.

26 Members of Congress advised you of their belief that former Enron Corporation Chairman Kenneth Lay exerted undue influence in the process that resulted in your nominations, and that they had grave concerns regarding your ability to be impartial in any pending or future investigations of Enron. You have neglected to respond. As stated in the April 23rd letter, at a minimum, the circumstances surrounding your appointment to FERC call into question your ability to conduct an unbiased review of Enron's activities. We are further concerned by your actions while serving at FERC. For example, as stated by Senator Lieberman citing a FERC Enron investigation which ended in August 2001, "though the report identified a number of areas that ought to have troubled FERC as the federal government's lead energy regulator, it found no reason for concern and no cause of action." The FERC investigation made these conclusions when internal Enron documents make it clear that the company wanted to maintain unregulated status of its highly questionable trading activities.

As has once again been made clear by recent documents obtained by the Senate Government Affairs Committee, Mr. Lay has been a champion for each of you in your appointments to FERC. 26 Members of Congress urged you to follow the lead of Attorney General John Ashcroft, who recused himself when there was an appearance of conflict of interest. You have neglected to respond.

FERC's Ethics Mandate prominently asserts, "*Every citizen must have complete confidence in the integrity of the Federal Energy Regulatory Commission; otherwise, our ability to act in the public interest will be compromised.*" It is simply not possible for the American people to have complete confidence in this investigation if those who benefited from Enron's support and advocacy are the same individuals examining their questionable practices as a corporation.

26 Members of Congress have requested to recuse yourselves from the current, and any future, investigation into the activities of Enron Corporation. I have attached a copy of the letter for your convenience. When will you respond?

Sincerely,

Bill Pascrell, Jr. (NJ)

Bob Filner (CA)

Bart Stupak (MI)

George Miller (CA)