
My good friend, teacher, and predecessor as Under Secretary called me last November about appearing at this meeting today, and he suggested the topic which appears on the program. I suspect he had several objectives in asking me to use this platform to talk about the "Significance of the Pacific Northwest-Pacific Southwest Intertie."

He knew, of course, that for four years my responsibilities in the Department have been concentrated on lands and parks, Indians and territories and a mainline railroad in Alaska. So, one objective quite likely was purely pedagogical. Jim undoubtedly felt that it would be good for me to know a lot more than I did about electric power matters. Obviously, if I am to talk about the significance of an intertie, I must know what one is, and this is bound to benefit me, if not you. The process of preparing for this speech has been of educational value. I don't want to parade my newfound knowledge before this assemblage of experts, but I assure you I've learned some new things.

But the word "significance" does not necessarily point to the physical or engineering aspects of the intertie. I sat on the platform at Portland last September at that dramatic breakfast when President Johnson said "... if we turn away from division, if we just ignore dissension and distrust, there is no limit to our achievements ...," as he hailed the significance of the intertie in terms neither governmental nor physical, but rather as a monument to cooperation. He also told a homely story filled with wisdom about the time when as a young Congressman a wise old Texas lawyer reminded him that three minutes of impassioned rhetoric could undo the work of three years of patient negotiation. The President has told us in many ways how much he values a spirit of cooperation and "reasoning together" in meeting the knotty problems of our time.
Jim Carr knows, as all of you know, that such cooperation does not just happen. So, in a very special way, it is appropriate for me to pay tribute to a few of the many statesmen who furnished leadership for this great accomplishment. I do not know all of the men but I know one who must, when history is written of this era, surely have a prominent place in the roster of statesmanship. That is Bonneville Power Administrator Charles Luce.

Here is a man who is honored and respected as a brilliant administrator, as a lawyer who has become also an informed technician in a complex field, and as a good-humored but tough-minded gentleman in a field which, as each of you can vouchsafe, the dominant personality characteristic is the ruggedest kind of individualism. Because the task was basically a legislative one when the time came to translate a concept into a program, it is appropriate that I single out one of your own Congressman, Chet Holifield, as the symbol of the congressional leadership so necessary to this accomplishment. He and such colleagues as Bizz Johnson, John Moss, Bernie Sisk, and John McFall worked diligently in making the intertie a reality.

There is another kind of significance, of course, which will be emphasized throughout the Nation. That is the cooperation of Federal, public and private utilities who worked so long and hard on the National Power Survey, recently released by the Federal Power Commission. This document has been a valuable source of information for me in doing the homework which Jim Carr forced upon me by his selection of topics. While Federal, public and private utilities were working nationally on the Power Survey, the same spirit was yielding the positive results of the intertie.

The National Power Survey gives considerable emphasis to the subject of interconnections and inter-system coordination. We have reached a plateau of maturity in this country in the last few years so that the time has come when it is not particularly remarkable to see the many segments of the power industry cooperating in a survey whose whole philosophy is to subordinate ideology and political difference in a combined attack upon the problem of meeting the country's power needs in the most efficient and economical way.

The same thing might be said about our electric power system that was once said about our form of government in this country: that it is the worst in the world except for all others.

Truly, pluralism is the dominant feature of our society. And, it is the mark of our genius that this pluralism, as the demand for coordination and cooperation increases, does not stand in the way of constant improvement in services to the American people.

In the Northwest, where I am best acquainted, the Federal and non-Federal electrical generation and distribution systems are tied together in
coordination agreements started in wartime and now extended into the next century. The basic purpose of these agreements is to provide for the operation of all the power facilities of the region with maximum efficiency and to make provision for an equitable share of the benefits of coordination.

Basically, I think this is what Chairman Swidler enunciated as an objective toward which the national policy should develop. President Kennedy called for the national power survey to provide information to encourage the industry, both private and public, to develop individual expansion programs and intertie systems permitting all elements of the industry—and more importantly, the consumers—to benefit from efficient, orderly planned growth.

A fully integrated interconnected transmission system designed to tie most of the regions together have numerous advantages in achieving by 1980 the goal of reducing the average unit price of electricity to consumers. Other advantages will be to:

1. Permit construction of larger and more economical generating units.

2. Reduce air pollution in large cities, and save fuel transportation costs. Electric energy can be transmitted from fuel sites to the major load centers.

3. Permit the pooling of generating reserves to provide emergency standby service in the event of unexpected outages of very large generating units.

4. Provide savings by exchange of capacity between areas with opposing summer and winter peaks and East and West with different time zones.

5. Permit more efficient use of hydroelectric plants for peaking purposes, reducing the cost for standby spinning reserves.

6. Facilitate transmission of economy energy so that generating plants of each area can be used most efficiently in meeting demands.

The Canadian Treaty-Columbia Storage Power Exchange, an example of international cooperation, finds two foreign governments, two Federal
entities, and 41 private and public bodies, working together toward a common objective for the benefit of the people of both countries. This Exchange is materially assisted by the Pacific Northwest-Pacific Southwest intertie.

I think we have tended to forget recently in the era and aura of good feeling under the leadership of our great President how short the time has been since a quite different spirit prevailed on both sides of the utility picture.

One of my predecessors seemed to me in one of his pronouncements to be trying to develop a kind of divisive snob appeal when he said "heretofore first-class citizens have been those who received service from a publicly owned utility and second-class citizens got their service from privately owned utilities."

Secretary Udall early in this Administration abandoned the battle of words in favor of the struggle for progress in the United States. This constant, conscious search for improving the quality of life for all Americans was pursued in many areas. Honored internationally for his magnificent contributions in the development of a national consciousness of conservation, Secretary Udall has made it equally plain in the field of electric power that progress is more important than propaganda.

For example, in 1961 Secretary Udall appointed a five-man special task force to study a proposed extra-high voltage common carrier interconnection linking the Pacific Northwest and the Pacific Southwest. The task force was directed to consider among other things regional electric interties built only when it can be demonstrated that they are mutually advantageous to economic growth and conservation of energy.

In 1962, the Department under the Secretary's personal leadership successfully negotiated arrangements for the joint construction of the Upper Colorado River Storage Project transmission lines. As a result of these arrangements, agreement was reached with seven major power companies in the area covering the States of Wyoming, Colorado, New Mexico, Utah and Arizona, to achieve the objectives of interconnection of the Colorado River powerplants and Federal systems, and to provide the same service to preference customers more cheaply than would have been possible with an all-Federal system.

In 1963, construction of a 161-kv transmission line between the Bureau of Reclamation's Missouri River power system and the Southwestern Power Administration was worked out in cooperation with a generation and
transmission cooperative. The Bureau of Reclamation, the Southwestern Power Administration and the cooperatives are now completing a study of a possible 500,000-volt extra-high voltage interconnection.

In 1963, the Bureau of Reclamation and the Bonneville Power Administration outlined their proposals for extra-high voltage direct-current lines interconnecting the Pacific Northwest with not only southern California but also portions of Nevada and Arizona. This report explored two alternative methods of interconnecting the Pacific Northwest and the Pacific Southwest areas through Nevada.

The culmination of years of study, proposals and counter-proposals are embodied in the design of the four-line plan which was presented by the Secretary of the Interior to the House and Senate Appropriations Committees on June 24, 1964. Further negotiations led to minor amendments of July 21 and July 27, 1964, and to the final plan. President Johnson endorsed Secretary Udall's recommendations and the Congress put its final stamp of approval on the plan August 14, 1964, appropriating funds to start the Federal portions with the stipulation that feasibility of the last scheduled line from Big Eddy to Hoover must first be demonstrated. A favorable feasibility report for this line was transmitted to the Congress on October 7, 1964.

As you gentlemen will know, the Federal Government, the City of Los Angeles and the private utilities and public agencies in California, Arizona and Nevada, are already busy building the intertie. The first line is scheduled for energizing in 1968 and all lines will be completed by 1971.

In the last analysis, the Pacific Northwest-Pacific Southwest intertie must be viewed as a significant milestone in a deliberate, calculated course of action—not as an isolated achievement. While it overshadows what went before, while it launches America into a new age of technology in power transmission, similarly it is consistent with the pragmatic, philosophical concepts of Stewart L. Udall. He believes that where broad public benefits are involved reasonable men can find areas of significant agreement without an abandonment of principle.

This, to me, is the real key to the intertie—not its size, not its length, not its pioneering concepts, but rather that divergent, and often contradictory ideologies found common ground for mutual accommodation.

The Pacific Northwest-Pacific Southwest intertie may foreshadow a national, integrated power system. That phrase no longer sends shudders down the backs of some and visions of a giant octopus sitting in Washington.
with its transmission tentacles spread across the land, because we have concretely exhibited our confidence in the ability of our pluralistic system to meet our needs.

Regional interconnections and interconnections between regions must, by necessity, evolve naturally and result from expanding technology consistent with sound economic and engineering feasibility.

Future interties also will follow the diversity of ownership now prevalent in the electric power industry. Our concern is not for a federally imposed power grid. But, we do have a concern and an obligation to see that the many consumer-owned electric systems share fully in the fruits of the large interconnections of the future. The National Power Survey of the Federal Power Commission states this case fully, and the pitfalls as well as the benefits of growth will receive full consideration.

The report puts the case in terms of size: "The small systems in the electric power industry are understandably concerned about their future welfare as elements of the complex electric industry structure. They fear that the growing emphasis on the economies of scale in generation and transmission will reduce their opportunities for the orderly expansion of their own generating capacity, and perhaps even threaten their survival."

Cooperatives and municipal systems constitute 3,190 of a total of 3,600 electric systems. These systems must obtain their power supply from low-cost sources, and there must be opportunity for them to do so. The benefits of future technologies and economies in transmission and generation must serve these public agencies, not threaten their existence.

Interior will protect the public investment in facilities managed by the Department. We recognize our responsibility to "preference customers."

Most of you are well aware of the power cost savings achieved through services from the Central Valley Project. For example, the City of Palo Alto recently decided to take Central Valley Project power. When Palo Alto uses its full 79,000-kilowatt Central Valley Project power allocation, it will save about $150,000 a month. While achieving these savings in power costs, the city will be supporting the cost of construction and operation of the water development features of the Central Valley Project that are so vital to the economy of California and the Nation.

I understand that among the many benefits to Northern California preference customers was the establishment of a 40-year "bank account"
arrangement between the Bureau of Reclamation and the Pacific Gas and Electric Company which will enable the Bureau to meet the load growth of its present Central Valley Project customers until 1980. We must not forget, however, that the pumping requirements of the Bureau of Reclamation will soon increase and the loads of its present and potential preference customers will also increase. Other sources of supply must become available. The New Melones Powerplant has been authorized to the Corps of Engineers with 150,000 kilowatts capacity. We hope that the Auburn-Folsom South unit will be authorized by the present Congress with the Auburn powerplant providing an additional 240,000 kilowatts of power for pumping uses and for preference customers.

Progress being made on the San Luis Unit, the hoped-for authorization of the Auburn-Folsom South Unit and the progress of the plans for the East Side Division should be very pleasing to water users on whom, to a large degree, the economy of the Central Valley rests.

The pluralism in electric power, as I mentioned before, has assisted and will continue to assist in the development of low cost electricity for all Americans regardless of who sends them their electric bills. And, with this continuing influence of diverse ownership, the traditional role of the Federal Government in providing leadership will grow, not diminish, and the traditional tools which have led to the growth of our consumer-owned systems will be maintained and strengthened. The yardstick idea has not lost its meaning.

I do not intend to close without making one final point. The delegates to this convention, the representatives of the California municipal system, are deserving of the thanks of the Department, of your State, and of our country for your vital role in the accomplishment of this landmark achievement. On behalf of Secretary Udall, and all of his staff, I tender our thanks.

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