

Within 4½ minutes generation on TVA's own system picked up the total generation lost at Paradise. There was no interruption of service other than for a small amount of industrial load supplied directly from the Paradise switchyard.

Perhaps the people at TVA have some ideas and techniques we should hear about.

Thank you for the opportunity to appear here today.

Senator CANNON. Thank you, Senator Metcalf.

In your statement you tell about the Potomac Edison planning to string a line out of here alongside Antietam battlefield. Potomac Edison is under FPC regulation. Would they be affected one way or another by this bill?

Senator METCALF. They may be under some FPC jurisdiction, but the FPC has no jurisdiction over where the company puts those big lines. No one has that jurisdiction. The point I am making today is that this committee, which has jurisdiction over the Federal Power Commission, should be looking forward to additional regulation to cure these things that are occurring in this growing, biggest business in America, rather than taking away some of the jurisdiction from the Federal Power Commission, slight as it is, as this bill would do.

Senator CANNON. This bill would not affect that?

Senator METCALF. It would not. Other bills before this committee, my S. 1834 and S. 1835, would assign FPC this needed responsibility.

Senator CANNON. Under what theory would you regulate a company that is allegedly completely intrastate in operation? In other words, one that has all of its production within the State, and doesn't sell or buy beyond its own State limits. What is your theory?

Senator METCALF. The fact that a company has all its facilities in one State doesn't mean it doesn't operate in interstate commerce. As I point out, when this company says that it has one-third of 1 percent out of State, it is talking, as I pointed out, about its net. Through the pool it receives about 5 percent and delivers about 5 percent of its total generation. So it really is operating interstate. The theory which permits the Federal Government to act is that this is the largest business in America and operates in interstate commerce.

Senator CANNON. Would you make a breakoff point there.

Senator METCALF. No, sir.

Senator CANNON. Do you contend that any company that has, for emergency purposes or otherwise, an interconnection which results in this 1 percent being transported interstate, either for sale or purchase, that that should be regulated by the Federal Government.

Senator METCALF. Yes, sir. Mr. Chairman, my own idea would be that this monopolistic electric utility industry which is so vital to the welfare of the whole of the United States, is an industry that, whether the local IOU facilities are entirely intrastate, or whether it has facilities in more than one State, it should be regulated by the Federal Power Commission because it is part of a national grid.

Senator CANNON. But under what legal theory would you contend we have jurisdiction?

Senator METCALF. Under the commerce clause. The national interest requires, (1) that these systems such as the Florida Power & Light or Tampa Electric or Houston Electric that serve great Federal defense agencies, should be regulated by a Federal agency.

And secondly—

Senator CANNON. Even though they might be completely intrastate?

Senator METCALF. Yes, sir. They are part of an interstate network.

Second, regardless of the fact that one system has all its facilities intrastate, under the present interlocking systems that they now operate, they have a national interest and a national concern.

Senator CANNON. Of course, a lot of companies can have national interest and national concern. I am not sure that we can get into the field of regulation under that theory.

Senator METCALF. Always, Mr. Chairman, these electric utility businesses try to come in here before Congress, before the public, and equate themselves with other businesses such as you have suggested. But here is a subsidized monopoly with a guaranteed income, distributing a most essential product to the people. Compare this with the electronics industries or the aircraft industries or those other very risky, very important industries that we don't try to regulate, which have complete competition. The power company has no competition, in the usual sense of the word. It is a complete monopoly, selling the most important product