

terest under the most difficult circumstances. The legislatures—and I used to be a member of a State legislature as well as of this House, and know how it works—the legislatures have saddled these commissions with awesome tasks, but not given them the support necessary to do an effective job. So should Congress add to their workload?

I wonder if the members of the Oklahoma State Senate Investigating Committee, which conducted hearings this year on the Oklahoma State Corporation Commission, would want that commission to have additional responsibilities for protecting the public interest.

As I read the Oklahoma Senate committee's report, it has come to some disturbing conclusions about the lax policies, procedures, and practices of the State commission. The legislators seek substantial changes in the system of State regulation. The attorney general of Oklahoma has filed suit to remove from office the chairman and vice chairman of the commission.

I believe this report, and the statement by the counsel of the Virginia Association of Counties, neither of which are very long, are to the point of this legislation and will be of value to the subcommittee. With your permission, Mr. Chairman, I ask that they be included in the hearing record, along with the October 23 editorial in *Electrical World* which recognizes the need for improvement of State commissions.

May I say that that October 23 editorial is very unflattering to the present witness, but it makes a strong point in my case as to the need for further regulation.

Mr. MACDONALD. Without objection, it is so ordered.

(The documents referred to follow:)

STATEMENT OF C. F. HICKS, COUNSEL FOR THE VIRGINIA ASSOCIATION OF COUNTIES,
RELATIVE TO TAXATION OF EASEMENTS OF PUBLIC UTILITIES IN VIRGINIA

Gentlemen, there is one matter in the taxation of property in the State of Virginia which is inequitable. This is the fact that public utilities pay no taxes on the value of easements which they own over property for pipe lines, transmission lines, telephone lines, etc. At the 1966 Session of the General Assembly, utilities complained loudly about the practice which some localities in Virginia had of having a low assessment ratio and a high tax rate, which was inequitable as to utilities, or the practice which other localities had of taxing utilities' property such as transmission lines, pipe lines, telephone lines, and generating equipment as personal property or machinery and tools, rather than as real estate, then having a low rate on real estate and a high rate on personal property and machinery and tools. Both of these inequities which were complained of by public utilities were corrected by the last session of the Legislature.

At that time, discussion was had with the representatives of public utilities and the representatives of the State Corporation Commission, relative to the other inequitable situation, whereby public utilities pay no taxes on easements which they own. Both the utilities and the State Corporation Commission said that they would attempt to work out this matter. Since that time, they have done nothing. In fact, an official of the state Corporation Commission has stated that the State Corporation Commission has not assessed taxes on public utility easements for sixty years, and will not assess taxes on public utility easements unless they are made to do so.

At the same time, in the accounting department of the State Corporation Commission, which has charge of valuing utilities property for the purpose of rate making, they include the value and the cost of public utility easements for rate making purposes. This department was amazed, and at first would not even believe that the public utilities were paying no real property taxes on the easements which they own in this State.

In a recent case in Fairfax County, the Supreme Court of Appeals of Virginia held that a pipe line going through a man's subdivision would destroy the entire economic value of the land through which the pipe line ran; that in effect,