

There are a great many dissimilarities between the two bills and I certainly wouldn't want to——

Mr. MACDONALD. Right. I just wanted to get that point in the record, that you understand the Hinshaw amendment is not included in this bill. It is highly inapplicable.

Mr. THRASH. The Hinshaw, if I understand Hinshaw——

Mr. MACDONALD. I just read the pertinent part here.

Mr. THRASH. The first sentence of the Hinshaw amendment it seems to me is the one that I am addressing myself to where it says that the sale of this gas in interstate commerce, it clearly recognizes that the gas is in interstate commerce, but it cuts off the Federal power of regulation at the State line or at the first sale downstream beyond the State line. That is all I am trying to say.

Mr. MACDONALD. If the State body issues the certificate saying that they are regulating the rate——

Mr. THRASH. In that respect the bills are dissimilar. I understand that.

Mr. MACDONALD. Then I think you cannot discuss Hinshaw any more because it isn't applicable. Yesterday I asked the question of somebody was it and it wasn't known, and I checked with the staff here since and I find out it is not, so there is no sense in discussing Hinshaw because it doesn't have any application.

Mr. THRASH. I respectfully disagree, Mr. Chairman. I think the concept of Hinshaw as a legal differentiation between the Federal and State power is the same case.

Mr. MACDONALD. I can't really follow the charts perhaps very well so I can't follow you completely, but you are not trying to indicate that where you have an interconnection with a system that originates in another State you shouldn't be under the FPC, are you? Nobody has made that allegation. Even the Florida people haven't made that allegation.

Mr. THRASH. I think I can answer that best if you would let me proceed to the next point in my four points that I want to make——

Mr. MACDONALD. I think you can answer that yes or no.

Mr. THRASH. Well, yes, sir; I very definitely believe that under the Power Act as it is written now, if, for example, in situation 4—let's just look at situation 4 on this chart—if this company Q on line 4 generates power which is transmitted to this company but consumed at this point, then the test that is presently in the Power Act states that facilities will be considered to be in interstate transmission of electric energy if energy is produced in one State and consumed in another, and in that case I would not think these facilities were in interstate commerce.

Mr. MACDONALD. Isn't it a fact that if it is produced in one State and consumed in another State it is in interstate commerce?

Mr. THRASH. Yes, sir, I certainly agree with that. It clearly would be. But if it is not consumed in the other State as, for example, if there should be interchanges between the last two companies here on line 5, then in our opinion and as we understand the Power Act these facilities would not be in interstate commerce.

However, under the Federal Power Commission's current view——

Mr. MACDONALD. You know that chart so well and you keep saying line 5 and all I see are little footballs, so I can't really follow what you are saying.