

That is where most of the purchases come. Now see if they are going to go to Des Moines, Omaha, Denver, they won't purchase in Nebraska. Let me tell you why. Iowa has no fuel tax on the airline and neither does Colorado. Anytime they are going to fly from Kansas City, I don't think United comes from Kansas City, but like if you say they have a short flight and they are going to stop in several communities like Denver, Omaha and then Des Moines, they will purchase fuel in Colorado or in Iowa and won't purchase any in Nebraska, that is one of the things that United Air Lines says that there will be no loss in revenue really because if we lower the tax they will purchase more fuel here.

SENATOR WHITNEY: Now another question. As I understand it then, United Air Lines, which is the only lines that buys over 10 million gallons in Nebraska, they would still pay the 2½¢ per gallon on purchases up to 5 million gallon and then they would pay the 3¢ on purchases between 5 and 10 million.

SENATOR WALDRON: No, 2¢ Senator, they would have a 3¢ reimbursement.

SENATOR WHITNEY: Well it says here 3¢, they would still pay the 3¢ on purchases of...

SENATOR WALDRON: Well that would be an error then. The bill drafter did draft that wrong and it should be a 3% reimbursement, and I changed that on the amendment that I have up there with the Clerk.

SENATOR WHITNEY: Oh yes, reimbursement, you are right.

SENATOR WALDRON: Right, a 3¢ reimbursement. I thought I corrected that.

SENATOR WHITNEY: I think that it is correct.

SENATOR WALDRON: O.K., so they would have a ½¢ reduction from 5 to 10 million and 1¢ deduction and for anything over the 10 million, but they would still always, regardless of how much they purchases, if they purchased 20 million they would still on all over 10 million be paying 1½¢.

SENATOR WHITNEY: Yes, now is the United Air Lines subsidized by the federal government?

SENATOR WALDRON: I don't know Senator, I really don't know. I suppose they have some, if you consider mail contracts and if you consider freight contracts by the government as a subsidy, then they probably would be but they would receive no direct subsidy because they are one of the big main carriers which receive no direct subsidy.

SENATOR WHITNEY: Thank you.

PRESIDENT: Next to speak, Senator Frank Lewis. Before he starts, could we have it just a little quiet.

SENATOR FRANK LEWIS: I have a series of observations for you. This bill first developed, it was on the idea that perhaps it would be an influx of improved service in Nebraska and that is not possible anymore because we are having a decrease in services simply because of the current crisis. As far as selling more fuel, I would suggest that anybody who can get it, take it where they can get it. In Des Moines, Omaha or whatever. Third in terms of where the money goes, certainly before I would be supporting a bill like this I would like to take a little better look at what is happening to some of our smaller airports and even our major terminals, and our fourth observation that I make, if this is surplus revenue, rather than provide a tax break here,