

to the explanation of the committee amendmen , I want to point out at the outset that I oppose LB 835 in its present form and I oppose the bill even if you were to adopt the committee amendment. I did not vote for the committee amendment. I did not vote to advance the bill. In my opinion the committee amendment to LB 835 makes a bad bill worse. As originally introduced the bill would have allowed telephone companies to be elected to...would have allowed the telephone companies to elect, but not necessarily to be subject to regulation. Under the provision of this amendment that provision is changed. Those companies which elected not to be subject to regulation would have been subject to the compensation for the services which the company rendered. The companies who elected to be subject to the Public Service Commission regulation would have played by the same rules under which they currently play. The committee amendment is objectionable to me primarily because it allows the companies which are offering local service to have the best of all possible worlds, no competition and no regulation on the prices which the companies could charge for noncompetitive services which it provides. For example, we all know that there is no competition for local service anywhere in the State of Nebraska. The company which serves you is a company which holds a certificate of convenience granted to it by the State of Nebraska. For example, in the City of Omaha that is Northwestern Bell. In the City of Lincoln that company is LT&T. If the committee amendment is adopted, the same company will continue to serve its customers. However, instead of allowing the Public Service Commission to prove and monitor rate increases, the company will be able to set its rates at any level it wishes subject to a cap increase of 2.50 per month or 20 percent per year, whichever is less. As an example, in Bellwood, Nebraska, where the local service rate is a little less than \$8.00, that would amount to about \$1.50, \$1.60 per month maximum increase per year for five years. In effect, what we have and what we will continue to have in this bill, and I believe in subsequent amendments which Senator DeCamp will probably offer, is that the Legislature will set the rates for local service. When your constituents have raises in their phone rates, they are going to be coming down to Lincoln to see you and I rather than taking their complaint to the Public Service Commission. I doubt very much if any of us want to be in the position of establishing telephone rates for the State of Nebraska. I would suggest that those of us who have been