

deregulation based on the existence of competition which is suggested by this study. I will support the Lamb amendment but ultimately I have to come to this question. Where is the fire? Why are we rushing at this moment to do this? I have been told why. It has to do with the loss of some very valuable contracts in the Omaha area, and the potential of bypass, which is to...

PRESIDENT: (Gavel.)

SENATOR LANDIS: ...which is to get around using a telephone company at all by going directly to the source of exchange and having a company control, if you will, their own telephone services. It is not because of the Sprint-Bell fight. At least the one data, the one piece of data here that is most important is the \$22 million a year of bypass loss that looks like will continue. We have been told a couple of different arguments, first the bypass problem. This bill goes far beyond responding to bypass, and for that reason, it is far too great of a leap of faith because of the proven need that we are discussing. Secondly, the need has been talked about as far as the deficiency that has resulted from slow PSC decisions. Those decisions can be speeded up or you can continue to liberalize the provisions that allow companies to put into effect a large proportion of their rates if the PSC hasn't acted. The Schmit amendment said 90 percent of the proposed rate after 30 days. I can support that notion, a more limited one, if you will, in this huge leap of faith. Additionally, we might try to get more staff for the PSC, something that the telephone companies have never lobbied for in my living memory to put them in a position to be able to regulate better all smaller, more targeted kinds of responses to the legitimate demands of the telephone industry for better and more efficient regulation. Additionally, did you know that, as a PSC commissioner told me, the PSC is empowered to allow all of the telephone companies in this state who are major carriers, if they wish you, to have a flexible rate package to offer a large consumer a special rate just for them? You want to target somebody who you are being underbid for or you have the risk of bypass? The PSC now has the ability to tell a major telephone company, you may make a special bid offer...

PRESIDENT: One minute.

SENATOR LANDIS: ...to prevent bypass. I have never heard that being discussed on the floor but it is a power we already have in law. We have smaller ways of bridging the gap and the