

difficulty of bypass and deficiency payments. We don't have to make a leap of faith of this magnitude now. If there are problems in the current system, let's address them individually and solve them and go forward with a phased study of the whole technology. Until that is done, it seems silly to me to simply throw out the idea of averaging and, in essence, make sure that rural phone payers pay a lot more money come 1991 because I think that is what happens with LB 835 in its current amended suggested form by Senator DeCamp. I will support the Lamb amendment.

PRESIDENT: Senator Abboud.

SENATOR ABOUD: Mr. President, colleagues, I rise to support the Lamb amendment and I think it is a good amendment. It deals with the question of how long a telephone company can increase, automatically increase the rates. At the present time, they can automatically increase the rates 10 percent up through 1991. I think there is one thing, one point that all members involved in this dispute can agree upon, and that is that phone rates are going to go up next year. They are going to go up this year, and they are going to continue to go up because of the deregulation at the national level. Now that leaves us with a situation of who is going to get blamed for raising those rates. In this bill, in LB 835, as it is amended by the DeCamp amendment, we are guaranteeing to the public that the Legislature is allowing, that the Legislature is authorizing that the phone companies can increase their rates at least 10 percent up through 1991. Now there is no question about that. If you want to call it profit, I tend to call it profit. I believe it is profit and I stand by that because I believe that at this particular time that the income is not needed at that particular level but we are going to be guaranteeing that they will have that income, that 10 percent increase up till 1991. Now there has been a great deal of discussion as to whether or not, whether these locals need this no regulation for their telephone service because of the competition. Well, as Senator Schmit said, they have had a monopoly situation for a number of years now and that monopoly situation is not going to change, whether they are regulated by the Public Service Commission or whether they are nonregulated, they will still have a monopoly situation over the public throughout the State of Nebraska, and my feeling is that if you have a monopoly and you can't show a profit, then you are not running your company right because they are going to have that monopoly and they are going to be able to charge those rates and they are going to be