

able to make that money. Now I have some real problems with no regulation at the local level and I think that this bill and its concept of deregulation intrastate is probably a good idea because it will reduce rates throughout the State of Nebraska. If they are calling from Omaha to Lincoln, or Omaha to Scottsbluff, or Lincoln to Grand Island, the rates will go down but the idea of taking away regulation at the local level when you have a monopoly and you are guaranteed a profit, it is foreign to me and I will not support a bill, and I will continue to fight a bill that provides for that. With that I urge you to adopt the Lamb amendment. Thank you.

PRESIDENT: Senator DeCamp.

SENATOR DECAMP: Mr. President, there were three questions or issues raised, I would like to address each one. Number one, Senator Abboud who just spoke, raised the question of this is going to affect the 10 percent per year increase. Answer, this has nothing remotely, directly, indirectly, upside down, topside up to do with that particular issue. Therefore, to answer it further would only waste my time and his. He simply doesn't understand this portion of the bill at all and I would simply say it has nothing to do with what he is talking about. Number two, Senator Lamb, this is the amendment I thought he offered yesterday which I said guts the bill. Let me explain why and how, and why it is fatal, fatal to Senator Lamb and Senator Schmit in their districts long term. Let me explain to you a term, averaging. Averaging means the telephone company takes the total cost, let's say At&T, of providing all the long distance service in the state, and even though it costs them \$1 for every call between Omaha and Lincoln, and \$5 for every call between Anselmo and Atkinson, even though it costs them five times as much at Anselmo as it costs at Lincoln, they total it all up and say the average cost for going 50 miles is \$1.50 and, therefore, they charge \$1.50 between Omaha and Lincoln and, Senator Lamb, they charge \$1.50 between Anselmo and Atkinson even though the \$1.50 even only covers a third or a fourth of the cost. Now, the heart of the issue then, you will never allow competition to come into Anselmo or anywhere else because they are being subsidized two or three hundred percent by the Lincoln-Omaha traffic. Therefore, any new entrant would be a fool to deliberately go into a market where they would deliberately provide service at below cost. What is the purpose of the five years? The purpose of the five years is because AT&T wanted it immediately. They said we want to start deaveraging immediately. Why do they want to deaverage