

say I am on the phone and I call Loran Schmit up in Bellwood, that is a long distance telephone call, and I get charged per minute while I'm on that phone. Now what the phone industry would like to have, and they've acknowledged it, is to have local measured service in situations where I call my neighbor, next door. I call Mr. Smith, next door to my house, and I talk to him for three minutes and I get charged per minute. Maybe it will be 10 cents a minute, maybe it will be 20 cents a minute, maybe it will be \$1 per minute. There is no regulation once we pass this law. And just think of all the money they can make off of that. Just think about it. When there is no regulation they can charge whatever they want. Now in long distance you have AT&T competing with Sprint, you have Northwestern Bell, you have all these different companies that are out there scrambling. They are advertising. They want your business for long distance rates. But you think they are really going to be competing for my telephone calls to my neighbor, Mr. Smith? They can't compete in that situation. The installations are already there. There is no competition. So there will be no reduction in rates. What we will have is an increase in the residential rates and an increase to the small businessmen. That is who you are sacrificing in this bill, the residential user and the small businessman, those two groups. Now this may in fact be beneficial to the phone company, and maybe some of the large corporations within the State of Nebraska will see some benefit, but they are going to see some benefit anyway. Mutual of Omaha took advantage of the innovations in the telecommunications industry and set up a satellite network to connect them with long distance phone service. So they've taken advantage of it. They've reduced their telephone rates. And those rates are going to continue to go down because we do have competition for long distance telephone rates.

SPEAKER NICHOL: Half minute.

SENATOR ABOUD: But you will not have that competition for the local service. That is their concern with the small businessmen, and I think it is a legitimate concern, because they've had some tough go lately. So I want everyone to understand exactly what we are voting on here. Senator Schmit's amendment is a fair amendment. He says where there is competition for those long distance rates, where you have two parties involved, then we have no regulation. But with the residential, local service, there will continue to be fair service, fair regulation by the PSC. With that, I will talk later. Thank you, Mr. Speaker.