

SENATOR ABOUD: Mr. President, colleagues, I think there is two things you should get out of this debate here this afternoon. One is that LB 835 is not required to pass this year. There is no federal requirement. There is no requirements of any of the phone companies in the State of Nebraska to have this bill passed this year. They are still going to survive, they are still going to be around next year, and they are still going to make sufficient profit to be in business next year. The second thing that you should learn or know from this debate and think about prior to the vote on the kill motion or the motion to return it back for to strike the enacting clause is that this bill is unconstitutional. You will be passing an unconstitutional bill if you vote to pass LB 835 today. Now we are making the final decision here today. The Governor has made a commitment to sign the bill. If 25 of you choose to vote for this bill, the bill will become law. I would like to touch on one final point. I think we have had a good discussion about the serious problems with the bill but I would like to take a little look into the bill itself and the four year period where we will be allowing rates to increase at a maximum of 10 percent. Now that translates in a 10 percent increase in revenue for the phone companies. Now my local phone company, Northwestern Bell, last year had a 5.5 percent increase in revenue, had a 9 percent increase in profit. Translating these four years where we are allowing a 10 percent increase in their rates, it will figure out to be approximately 18 percent increase in profit that we will be allowing them, using last year's figures. Now we have had some discussion whether, what exactly rates mean, whether they mean profit, whether they mean revenue. What do they mean? Senator DeCamp has said it doesn't mean profit, so I went back and I did my research and I found out that I was being conservative. I was being conservative on the figures and I was giving them the benefit of the doubt. I found, though, that profits more or less doubled their revenue from last year's 10-K report filed with the Securities and Exchange Commission, and my belief is that we will be guaranteeing an increase in profit to phone companies at a minimum of 18 percent for the four year period, but then I guess that is not half as bad, because after the four year period, we are going to be allowing them to charge whatever they choose. In addition, there will be no regulation of service so they can put phones in, take phones out, do what they choose, because there will be no regulation by the PSC unless you go out and get some signatures from constituents in your area if you have a problem, 3,000 signatures. We have had some jokes about how it