

and the provision for limited capital acquisition; and to provide an exemption from the Public Service Commission for small transit systems. Now my question is whether or not in your opinion this is practical policy on the part of this body to establish this precedent? That may put you on the spot but I am searching for guidance.

SENATOR WARNER: Well, I guess the philosophical argument, Senator Stoney, is just the one that you indicated. Current law was pretty well limited to vehicles that were owned and operated, as I recall and somebody may check me, by governmental subdivisions. I think one of the reasons that the proposal to expand it, of course, is that in outstate why you generally don't have a public owned bus system, that they have to resort to some other kind of ownership. I think the exemption from the Public Service Commission is probably necessary to even make it work because of the regulations that they would have on hauling unrelated people for hire, in effect. The third one, I forget what that third part...but none of those decisions are financial particularly. I agree there is a policy question. I don't know if it is good or bad.

SENATOR STONEY: Thank you, Senator Warner. The only point that I would make and he has touched on that and this concern that I expressed is providing these private nonprofit organizations the opportunity to make this change which I think subsequently will have a tremendous impact. We should be aware that every nursing home, mental retardation unit, hospital, church could become a potential applicant for these funds. I just think that we should exercise some judgment and some caution prior to making this change. So I hope that you will consider that as you further consider LB 144. Thank you.

SPEAKER MARVEL: Senator Lamb. We have four more speakers before we adjourn. Senator Lamb.

SENATOR LAMB: Mr. President, members of the Legislature, this is just an updated version of the bill we had last year, LB 704, which provides a vehicle by which rural areas can take advantage of the federal funds which are available for transportation. This is the crux of the whole thing. Now under the act, the federal act, there was a certain, I don't remember the number, but there was a high percent of that fund that was scheduled to be used in the rural areas. Well, the problem has been that the rural areas has not had a vehicle through which this could have been implemented. This is the bill that provides that vehicle. Now what is it going to do? Well, since the rural areas have not had a vehicle to use these funds, the cities have been using them and that is great but