

by the local government or by the state for whatever reason or way they can go about taxing them. That law, passed back in 1976 by the Senate and House, provided for a law known as the 4-R Act. And this particular issue was debated among state Legislatures. It was debated because...on an ongoing basis, even after it was passed because a number of other groups sought the same sort of legislation. The pipelines brought in legislation to be introduced that provided for the same type of law that said if a state or locale passes taxation that is discriminatory, then they should have the federal protection. And it's kind of easy to see what happens. A railroad runs through a county, let's say Boyd County, a railroad runs through there. They don't have much up in that area as far as taxation ability for businesses, it's mostly ag land, and so they say, well, we're going to tax railroads at this level to help pay for county services. Railroads said that's not a fair system of taxation and they found a number of congressmen and senators that agreed with that philosophy and so the Congress passed a law that said, sure, using vague terms, they were vague, they said, you can't discriminate against a railroad. Pipelines came in, tried to pass similar legislation. Telecommunications came in to try to pass similar legislation. Those two groups failed and I was involved with some of the state legislators lobbying with the NCSL group and it was a great deal of concern to states that this not continue down the slippery slope of other businesses coming in, airlines, anything involved with interstate commerce. The state legislatures were successful in stopping pipelines and telecommunications at that particular time and I thought that, well, probably the issue would go away, but our Nebraska Supreme Court felt otherwise and in a number of states the railroads looked to our state laws and they looked to the taxation of those states and the localities' taxation and they picked out a number of key states and they brought actions in those states to state that they were being discriminated against. Well, that probably would have worked just fine even in Nebraska. The railroads would have come in and said, you're being discriminatory because, instead of taxing 100 percent of that personal property on businesses, you're taxing at a much lower level, maybe 25, 30 percent, I don't know what the final figures were before the court, but they presented enough evidence to show both at the federal and at the Supreme Court Level, Nebraska Supreme Court to show...

SPEAKER BAACK: One minute.