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the same penetration rate or a better penetration rate than what we have today. That, to me, would be one of the signs of success. Thank you very much.

PRESIDENT MAURSTAD: Thank you, Senator Beutler. The Chair recognizes Senator Landis for discussion on the advancement of LB 514.

SENATOR LANDIS: Thank you. I am going to read an opinion here because I'll tell you what, I think we all shake out at the end of the access charge, Universal Service Fund controversy. There are largely rural phone ratepayers who are now getting a subsidy from the access charge mechanism paying as low as \$8.50, \$9, \$10 a month, when, in fact, true cost of that line is a good deal higher. But they're currently getting that low-priced line because of the access charge phenomenon. The Universal Service Fund will take contributions from a wide, wide range of people and it will redistribute those based again on cost, and it will mean, in the end, rural rates will go up somewhat but never to the level of true cost that they actually engender, and that there will be a subsidy, and the subsidy will come from high concentration urban phone users whose cost of operation is inherently lower given their density factor compared to the cost of a sparse network in rural areas. Now that is being done today, however. It is being done today by the access charge. In the future, it will be done by the Universal Service Fund, but there are two significant differences. One, the Universal Service Fund will be a form of subsidy we will have some access over. It will be a publicly decided form of subsidy. It will be part of the Public Service Commission's work. It will be available to the legislation of the Legislature to identify appropriate kinds of formula and amount of subsidy. That's a big change because, currently, that subsidy is being done privately. It's occurring and it's occurring so much that, in fact, some rural rates are among the lowest in the state when, in fact, their cost, their true cost is among the highest in the state. So that subsidy is working phenomenally well for them, as a matter of fact so well that the Universal Service Fund should never replace that current circumstance. It is too much favoritism. Of urban users, and the Universal Service Fund will come from everybody, but from the urban service users, we will have a regularization of that by percentage of all users, which