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SENATOR CUDABACK: One minute.

SENATOR SMITH: There are causes and effects to various policies that we establish, but I was particularly moved also by someone whose service became subject to tax due to legislative action last year, and he said it's hurting quite a bit. Basically, his service became 7 percent more expensive than the year prior. Now basically two things can happen: either someone doesn't buy the service, and that's bad, I would say; or let's say that the provider of the service just eats the 7 percent. Well, that's 7 percent off of his bottom line profit, and 7 percent less...or subject to tax, his amount subject to tax is 7 percent less. So we're not going to be able to tax that much if those service providers that are now subject to tax just eat it. So it's a catch 22.

SENATOR CUDABACK: Time.

SENATOR SMITH: I'm not a numbers guru, but I think we can arrive at a solution. Thank you, Mr. President.

SENATOR CUDABACK: Thank you. Senator Kruse, followed by Senator Preister and others.

SENATOR KRUSE: Thank you, Mr. President and colleagues. I would speak to a phrase, which we hear more off the floor than on the floor, that we should be considering across-the-board cuts. It always sounds good, and I always thought that was a nice idea, until I started to look at it. The fallacy of it is that these agencies are not the same across the board. Some of them are revenue producing; some are revenue using. Some of them are heavy in staff, which means you cut staff; others of them are a program. Some of them are 90 percent cash funded, so if you give them a 10 percent cut they've only taken a 1 percent cut. It doesn't quite make...make sense that way. Senator Wehrbein will be looking at others of these agencies. I'll just pick out one of them. ETV is barely hanging on by its fingernails. This kind of a cut would just be disastrous to them as they are into a special circumstance of trying to produce signals on two different technologies at the present time. The Governor's staff did a good job of working up this