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LB 1249

service territory concept at that time. But now is the day to address that issue, and I applaud Senator Landis for bringing us LB 1249, because finally we're addressing the question that I've thought we've always needed to address, which is defined exclusive service territories. That's the heart of this bill. As Senator Landis pointed out, we've got that in the water industry, we've got that in the electric industry, and we've got it in the telephone industry, because those are natural monopolies. And that's why you have those service territories. Now the telephone industry, that natural monopoly concept, is rapidly eroding. It's eroding because of changes in technology. We've now got Cox Communications, we've got Time Warner. They're coming in with that second set of wires through cable TV, where they can also offer telephone services. We've got competition through the wireless industry, all that cell phone and wireless technology that's out there, and we now have got the voice over Internet. So the telephone industry natural monopoly is rapidly eroding. It will be gone before long, and defined service territories won't mean anything in the telephone industry in a very short period of time. But that is not happening in the gas industry. We don't have those same kinds of competing technologies that erode that concept, so we need to do this. Section 9 of the bill is very important, because it addresses the questions associated with expansion of service territories beyond what you have today. Once you define those service territories, how do you grow and who gets to grow and where? It takes those questions where they belong--it takes them to the Public Service Commission, and then they address those issues based on certain economic rationale, things like economic feasibility, the impact on current and future rates, whether or not it contributes to an orderly expansion of the industry, and those kinds of things. It's all in Section 9 of the bill. And finally, the exclusive service territory concept is combined with Section 10 of the bill, which speaks to the obligation to serve. That's the quid pro quo. When you get that service territory, you've also got the obligation to serve all of those who live and operate businesses and so forth within that territory. That's what you get in exchange for that service territory. I think we've got the right balance here. It's the right language, it's the right approach, it's something we should have done years ago. We need to get this bill done