



August 23, 2005

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**PRESS RELEASE**

Re: Lafayette Utilities System Fiber Plan

Dear Commissioners:

The Louisiana Public Service Commission has a legal tradition of using its regulatory authority to prevent unfair practices that limit services and increase customer rates. With that tradition in mind, we, the Executive Committee of the Lafayette Parish Democratic Party, call on the commission to reject efforts by BellSouth and Cox Communications, Inc. to impose unfair regulations on the Fiber Optics Plan proposed by the Lafayette Utilities System.

BellSouth and Cox have proposed rules which will either prevent implementation of the plan or unfairly increase its cost.

The Lafayette Democratic Party believes the Fiber Plan is a progressive, local community effort that will create local jobs and local businesses, allow existing businesses to prosper, and keep community money in the community. Each of these goals is consistent with the core principles of the Lafayette Democratic Party.

Because the Fiber Plan promotes the core principles of the Lafayette Democratic Party, the Executive Committee has taken a leading role in promoting the sound implementation of this plan.

The Lafayette Democratic Party was one of the first Lafayette organizations to endorse the plan. Every major Lafayette organization has subsequently endorsed the plan. We recruited volunteers to give of their time and talent to get this project approved by Lafayette's voters.

Over sixty-two percent of Lafayette's voters approved the plan. The out-of-state providers, Bell-South and Cox Communications, Inc. fought the plan at the polls and lost. Now the same providers want the Louisiana Public Service Commission to adopt regulations which will guarantee that the plan fails.

We, the members of the Lafayette Parish Democratic Executive Committee, ask you to adopt fair regulations in accordance with the legislation giving you regulatory authority over this project.

The legislation came as a result of a compromise, agreed to by the Lafayette Utilities System, Bell-South, and Cox, which requires the Louisiana Public Service Commission to adopt rules ensuring a level playing field. However, at the request of BellSouth and Cox, your staff proposed regulations which, if adopted, will create special disadvantages for the Lafayette Utilities System (LUS).

BellSouth and Cox want the Louisiana Public Service Commission to force LUS to adopt business practices not required of their own companies or of other private companies. The practices will adversely affect the ability of LUS to make a profit or to compete fairly with other providers.

We, The Lafayette Democratic Party, urge the commission to reject the BellSouth/Cox scheme by including the following provisions in any regulatory plan:

- 1) Allow LUS to pledge the assets of the utility system to secure low-interest bond rates. This is part of the compromise legislation to which the two companies agreed.
  - 2) Do not force LUS to pay "in lieu of taxes" to the Lafayette Consolidated Government until it begins making a profit.
  - 3) Do not force LUS to share its billing system with its competitors. Private companies are not required to do so and neither should LUS.
  - 4) Do not require LUS to create separate books for each of its services within the telecommunications division. This simply creates additional, unnecessary accounting costs for related services. These unnecessary costs will drive up the cost of
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services and make it difficult for LUS to offer innovative products which link together new services.

The proposed rules are inconsistent with the traditional purpose of the Louisiana Public Service Commission, inconsistent with the legislation, and inconsistent with the will of Lafayette's voters. The Lafayette Democratic Party urges the commission to reject the proposed rules.

Lafayette Parish Democratic Executive Committee

By: \_\_\_\_\_  
Frank " Art " Flynn, Chairman  
On behalf of Committee

Cc local news outlets;  
City-Parish President  
City-Parish Council

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