

# State / Local

Precise amount won't be disclosed

## SW Bell to file rate request

**United Press International**  
DALLAS — Southwestern Bell Telephone Co. plans to file a hefty rate hike request, its fifth since 1976, in the "next few days," a spokesman said Wednesday, warning that the amount requested would be more than the \$326.3 million the company asked for last summer.

"The rate request will be filed within the next few days," Dale Johnson said. "We cannot give details of the request nor the date it will be filed because we feel we should first give those details to the Public Utility Commission."

However, Johnson said the amount sought, "would be larger

than the \$326.3 million we asked for last summer. Again, we cannot disclose the precise amount."

In its previous rate request, Bell Telephone was stung by the PUC, which after deliberating for more than six months, only approved \$114.3 million, or less than 50 percent of the amount the utility had sought in its application filed on July 7, 1980.

The company immediately appealed the decision to the Texas Supreme Court where the case is still pending.

"The basis of that appeal was that we felt the PUC arbitrarily had disallowed some expenses which should have been included

in determining the amount of money that we should have received," Johnson said.

"Regardless of how the appeal was decided, we would have filed this new rate increase. This will be a totally new request based on new data and new figures we have been able to collect."

While appealing the previous PUC ruling, Bell Telephone put the new rates into effect under bond. However, the supreme court ruled the company was not authorized to use "bonded rates" and ordered refunds made to its customers.

Johnson said the company had collected \$22.5 million under

"bonded rates" as of May 28, 1981. He said the company would make refunds this summer, averaging about \$3 per residential customer in large cities. He said no refunds would be made to those living in smaller cities because "their rates didn't change that much."

"The refunds or the appeal has nothing to do with this latest new rate request," Johnson said.

Johnson also disclosed that his company would seek "more than the 10.8 percent" ceiling on earnings return imposed by the PUC.

"This is not a retaliation against the PUC," Johnson said. "No one likes a rate increase but this is simply an economic point of life."

## Court says PUC exceeded authority in SW Bell case

**United Press International**  
AUSTIN — The Public Utility Commission exceeded its authority by ordering Southwestern Bell Telephone Co. to stop an experimental electronic information system project without first conducting a public hearing on the issue, the 3rd Court of Civil Appeals ruled Wednesday.

The court reversed lower court decisions upholding the PUC action, and declared invalid a Feb. 26 order of the commission prohibiting Bell from beginning the experimental project.

The experimental project, which would involve placing computer terminals in about 700 homes and businesses in Austin, is considered the pilot program for such projects throughout the United States by American Telephone & Telegraph, Southwestern Bell's parent company.

The Court of Civil Appeals decision made it clear, however, that the court was not ruling on whether the PUC had authority to block the elec-

tronic information system experiment after it conducts a public hearing on the issue.

Bell had planned to begin the program June 1, but the Texas Daily Newspaper Association in December 1980 filed a complaint with the PUC seeking a full hearing on Bell's plans for the experimental program. The PUC on Feb. 26 remanded the case to its hearing division for a public hearing, but ordered Bell in the meantime to "cease its conduct of the experiment."

A full hearing before the PUC has been scheduled for July 6.

The court ruled Wednesday that the power to act summarily and without a prior hearing must be given expressly to a state agency by the Legislature, and no such authority had been given the PUC by the Texas Legislature.

The commission contended that the Legislature by implication had given it the authority to issue cease orders without a public hearing.

## Consultant says hospitals need competition

**United Press International**  
DALLAS — A consultant told the Texas Hospital Association that more competition is needed in the health industry and consumers should be given more choices for insurance plans.

Walter McClure, director of a Minneapolis health consulting firm, Tuesday said if hospital competition is not boosted, the health industry faces the possibility of becoming a federal "utility."

"If you try to provide cost-effective medical care in today's market you go broke," he said. "That's because most hospitals to-

day are geared to attracting more patients and offering bigger and better services."

A key to sparking competition in the health industry is making consumers aware of the cost of health care through insurance policies.

He suggested encouraging businesses that provide group insurance to allow employees to choose from a variety of plans. The company would pay a fixed amount toward any plan with the consumer deciding how much coverage he wants.

McClure was critical of plans to

cap federal contributions to Medicaid.

"Capping doesn't solve anything," he said. "It only solves the federal government's problems. It doesn't stop the rise in medical care costs. It just stops the amount the federal government will pay."

"Who's going to pay? States will pay."

David Winston, who works for Blyth-Eastman-Paine-Webber Health Care Funding Inc., in Washington, D.C., however, said the THA's primary concern should be finding alternatives to Medicaid.

Winston said the administration is committed to capping Medicaid benefits, keeping them \$100 million less than the Carter administration called for in 1981.

"Given the amount of money and the growth in that program, you're going to have to reduce benefits — and there will be authority to reduce — or you're going to have to reduce the number of people on (the program) or both," he said.

Winston, who has been asked to head a task force of hospital

administrators that will advise the Department of Health and Human Services, said state governments must assume a greater Medicaid burden.

Winston's audience, composed of hospital administrators and other health professionals attending the THA annual convention, applauded when he proposed budget cuts for health planning programs. The programs have been unpopular with hospitals because they have developed regulatory powers.

## Freeman says payment was legal campaign contribution

**United Press International**  
NEW ORLEANS — Lt. Gov. Bobby Freeman insists a \$1,000 payment given to him by federal agents posing as corrupt insurance salesmen was a legitimate campaign contribution.

The payment was revealed Tuesday during testimony in the 11th week of the federal Brilab trial.

"Approximately a year and a half ago, I informed FBI agents, the grand jury and the public that I had received a \$1,000 contribution under no obligations from a man who portrayed himself as a legitimate businessman," Freeman said in a statement issued in response to the testimony.

He made no other comment.

An FBI agent who made the payment refused to characterize it as a bribe or a political contribution.

The payment was mentioned during questioning of federal agent Michael Wacks by attorney Arthur Lemann, who represents Vincent Marinello.

Marinello is on trial with reputed Mafia boss Carlos Marcello, former state Commissioner of Administration Charles Roemer, veteran state aide Aubrey Young and Washington lobbyist I. Irving Davidson on charges of trying to trade bribes for public insurance business.

Wacks said under questioning he met with Freeman, Peter Babin, a local official of the Operating Engineers Union, and Texas labor official L.G. Moore in New Orleans on Nov. 28, 1979.

"You met with Bobby Freeman and gave him \$1,000, didn't you?" Lemann asked.

"Yes, sir," Wacks replied. "We gave it to Mr. Babin and he gave it to Mr. Freeman."

"It was a \$1,000 contribution, right?" Lemann asked the agent.

"Moore had requested if we could help out Mr.

Freeman's campaign," Wacks replied. "We met with Freeman and did give him \$1,000. It was given to Babin in the presence of Freeman, and turned over to Freeman with the understanding that we were in the insurance business and if he was elected lieutenant governor, we'd be back to meet with him. Babin said something about remembering your friends, and Freeman said he didn't forget friends."

"Was it a bribe or a political contribution?" Lemann asked.

"I just don't know," Wacks said. "We were doing it because Moore had asked us to help. We took it to the Justice Department and gave it to them."

Marinello is charged with accepting a \$10,000 bribe in return for aid from gubernatorial candidate Jimmy Fitzmorris in winning lucrative group insurance from the city of New Orleans, river-front laborers and Avondale shipyards.

In secretly recorded tapes, Marinello described himself as a "middle man" between the bogus insurance salesmen and Fitzmorris.

Lemann said the money was nothing more than a legal contribution to Fitzmorris' 1979 campaign and stressed that Fitzmorris never did anything toward delivering the contracts.

"Marinello says, 'I'm totally in the dark. I haven't got the faintest idea of what you gentlemen have in mind. I don't have a thing on my mind except I want to get him elected,'" Lemann quoted his client as saying.

Wacks said Marinello fully understood what was happening.

"He knew exactly what was in store," the agent said. "He knew what he could get — for Fitzmorris and himself — if he could get the business for me."

## Program accepting applicants

The Texas A&M Physical Plant Department is now accepting applications for its 1981-82 apprentice program.

The program combines on-the-job training with related classroom study. Apprentices receive a salary and University fringe benefits while working with experienced craftsmen. Applicants will be selected in August and will begin the program in September.

The apprentice program is the department's primary means of training individuals to work for the plant as carpenters, electricians, electronic technicians, painters, plumbers and sheetmetal specialists. The program also trains people to work in the areas of air conditioning, refrigeration, heating mechanics and automotive mechanics.

Apprentices spend three to five years in the program.

The program is certified by the U.S. Department of Labor and is open to anyone who is 18 or over, has a high school diploma or equivalent training or experience and successfully completes the General Aptitude Test Battery and final selection interview.

Applications will be accepted through July 31.





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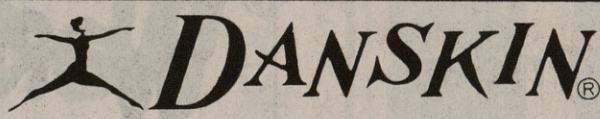
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