



1200 First Avenue East  
Spencer, Iowa 51301  
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February 13, 2004

To Whom It May Concern:

This letter is to support existing legislation that allows a public utility, like Spencer Municipal Utilities (SMU), to provide services and compete with similar for-profit utility companies. As a CEO of one of our communities largest employers, I am very concerned and disappointed with the efforts by their (for-profit) competitors to discredit SMU in the Iowa Legislature in an attempt to enact legislation that serves the interest of for-profit competitors at the expense of our community. Public entities should be allowed to provide services in competition with for-profit-entities and public entities should be allowed to "protect" market sensitive propriety information the same as private entities.

Spencer Hospital has an expense budget of 37 million dollars and has approximately 480 employees. Our hospital and our community have benefited from having a successful public utility company that provides state of the art technology. SMU has "wired" Spencer with fiber optic cable which has been essential to the hospital in providing efficient quality healthcare services. These services are essential to the hospital and the community and many would be compromised without the infrastructure provided by SMU:

- Tele video conferencing (telemedicine) that allow physicians at the University of Iowa to provide direct care to patients in the University's Child Health Specialty Clinic located in Spencer Hospital.
- High speed Internet Service is necessary for the hospital to communicate with vendors, health support resources and do electronic billing to third party payers.
- SMU Cable TV is available to hospital patients and visitors.
- State of the art communications (telephone) and switching infrastructure keep us "wired" to our community and our providers.

Spencer Municipal Utilities is now in competition with for-profit phone companies, cable companies and telephone companies and this competition has driven down prices for services well below what consumers are charged in communities where service providers are monopolies.

Please understand that this is good for economic development in Spencer. When businesses can reduce their cost and be more competitive, they have incentives to stay. Outside businesses have incentives to move into our community because we have lower utility costs and state of the art communications technology.

As you know, profits from for-profit entities leave the community and are paid to investors. Profits from public utilities are re-invested into the community in the form of improved services and/or lower costs. SMU is also very supportive of our community. SMU donated over a million dollars to help the Spencer Hospital Foundation raise 4.5 million dollars to build a state of the art cancer center.

Thank you for your time and cooperation. Please do not hesitate to contact me if you have any further questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Allen", written in a cursive style.

John W. Allen  
President/CEO

cc: Spencer Hospital Board of Trustees

*Care You Trust. From People You Know.*