

Approved _____
Date 2/7/84

MINUTES OF THE House COMMITTEE ON Energy and Natural Resources

The meeting was called to order by Representative David J. Heinemann at
Chairperson

3:30 ~~am~~/p.m. on January 17th, 1984 in room 519-S of the Capitol.

All members were present ~~except~~:

Committee staff present:

Ramon Powers, Legislative Research
Raney Gilliland, Legislative Research
Theresa Kiernan, Revisor of Statutes' Office
Pam Somerville, Committee Secretary

Conferees appearing before the committee:

Mr. Don Low, Kansas Corporation Commission
Mr. Kent Jackson, District Director, Kansas Fish and Game
Commission.

Chairman Heinemann introduced Mr. Don Low, Kansas Corporation Commission, to outline the Commission's position and recommendations for the 1984 Legislative session. (See attachment 1)

Mr. Low began his presentation by explaining the divestiture of AT&T effective January 1, 1984. He explained, to the committee, the different services provided by various telephone companies, and that the Commission had determined local telephone companies should adopt the access charges developed for interstate access under the FCC plan. Mr. Low said, in other action during an interim proceeding, the Commission had granted SWB an increase of \$96.7 million in basic local rates of \$1.35 for residential and \$1.75 for business customers. The rates for other services were increased from 15% to 20%. He went on to say that, while many decisions had been made and implemented, the Corporation Commission still had important decisions to consider and one of the major concerns was the extent of long distance competition in Kansas, and the manner in which other long distance companies should be regulated. A brief question and answer period followed his presentation.

Chairman Heinemann introduced Mr. Kent Jackson, District Director, Kansas Fish and Game Commission, to brief the committee on three bills introduced. Fiscal notes were distributed for each bill. (Attachments 2,3,4)

HB 2622 would amend various statutes relating to Furharvester, Hunting and Fishing license exemptions. Mr. Jackson explained the provisions would require resident individuals under 14 to purchase a Furharvester license; individuals under 16 and over 65 to purchase a Hunting or Fishing license, and would also require American Indians to purchase a Furharvester's, Fishing, or Hunting license. Additional revenues from the passage of HB 2622 would be approximately \$1.2 million annually.

Mr. Jackson addressed the committee on HB 2623, which would allow the Fish and Game Commission to issue 24-hour fishing licenses to residents and non-residents upon payment of a fee, not to exceed \$2.00. Currently there are approximately 15,000 twenty-four hour licenses issued annually. Enactment of this legislation would generate approximately \$30,000 in additional revenues.

HB 2624, which amends K.S.A. 1983 Supp. 32-164b, would increase the statutory limits within which the Kansas Fish and Game Commission would be able mandate certain license fees. Mr. Jackson said there would be five types of licenses affected by enactment of this legislation: Resident Hunting, Resident Fishing, Resident Furharvester, Non-Resident Hunting and Fishing.

CONTINUATION SHEET

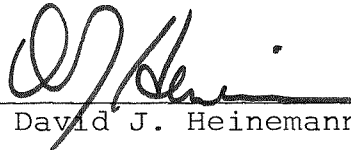
MINUTES OF THE House COMMITTEE ON Energy and Natural Resources,
room 519-S, Statehouse, at 3:30 ~~xxx~~ p.m. on January 17th, 1984

Mr. Jackson explained that, while current rates are not changed by the legislation, the maximum fee that could be assessed by the Fish and Game Commission would be increased. Passage of the legislation would increase revenues approximatley \$1.1 million annually. A brief question and answer period followed each of Mr. Jackson's presentations.

Following the briefing by Fish and Game, Chairman Heinemann referred all Natural Resource bills to the Sub-Committee on Natural Resources, chaired by Representative Ron Fox, to be scheduled for subsequent hearings.

There being no further business before the committee, the meeting was adjourned at 4:30 p.m.

The next meeting of the House Energy and Natural Resources Committee is scheduled for January 18, 1984 at 3:30 p.m. in Room 519-S.



Rep. David J. Heinemann, Chairman

Date January 17, 1984

GUESTS

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

NAME	ADDRESS	ORGANIZATION
David W. Michel	Topeka	KCC
Henry H. Hodson	Topeka	KCC
Gene Welch	"	United Tel
Carl Anderson	"	AG
George A. Duggan	"	Ks Dept. on Aging
N. Zogelman	"	Speaker's Office
J. McHuire	"	Rep. Fox's Office
A. Weather	Great Bend	Centel
W.R. Hoover	Blainville	Centel
Lynn E. Bate	Ellsworth	Centel
Scott McHugh	Great Bend	Centel
Jeery Cookhead	Topeka	KGE
Richard D. Kready	"	KPL/Gas Service

PRESENTATION

TO

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

BY

KANSAS CORPORATION COMMISSION

JANUARY 17, 1984

Attachment 1

ON JANUARY 1, 1984, THE MODIFIED FINAL JUDGEMENT IN THE AT&T ANTITRUST CASE TOOK EFFECT AND THE BELL SYSTEM REORGANIZATION WAS ACCOMPLISHED. AS A CONSEQUENCE OF THAT AND OTHER DECISIONS, THE MANNER IN WHICH TELECOMMUNICATIONS SERVICES ARE PROVIDED HAS CHANGED.

SOUTHWESTERN BELL TELEPHONE COMPANY NOW NO LONGER PROVIDES LONG DISTANCE SERVICES BETWEEN CERTAIN AREAS IN KANSAS. THESE AREAS, KNOWN AS LATA'S (LOCAL ACCESS AND TRANSPORT AREAS) CORRESPOND TO THE 913 AND 316 AREA CODE AREAS EXCEPT THAT THE KANSAS CITY REGION CONSTITUTES A SEPARATE LATA. SERVICE BETWEEN THESE AREAS IS PROVIDED BY AT&T COMMUNICATIONS OF THE SOUTHWEST, A NEW SUBSIDIARY OF AT&T.

THAT NEW COMPANY WAS GRANTED A CERTIFICATE BY THE CORPORATION COMMISSION TO PROVIDE SERVICE IN KANSAS BEGINNING JANUARY 1, 1984, BUT BEGAN ACTING AS A PUBLIC UTILITY EVEN BEFORE THEN BY REQUESTING A RATE INCREASE OF SOME \$23 MILLION.

AT&T AND OTHER PROVIDERS OF INTERLATA SERVICES NOW HAVE TO PAY LOCAL TELEPHONE COMPANIES, INCLUDING SOUTHWESTERN BELL, FOR USE OF THE LOCAL EXCHANGE FACILITIES IN ORIGINATING AND TERMINATING LONG DISTANCE CALLS. THESE "ACCESS CHARGES" REPLACE THE PRIOR PROCEDURES, CALLED DIVISION OF REVENUES AND SETTLEMENTS, BY WHICH ALL TELEPHONE COMPANIES SHARED TOLL REVENUES AS COMPENSATION FOR THEIR EXCHANGE COSTS ALLOCATED TO TOLL SERVICES. THE KANSAS COMMISSION DETERMINED IN ITS ACCESS CHARGE PROCEEDING THAT LOCAL TELEPHONE COMPANIES SHOULD ADOPT THE

ACCESS CHARGES DEVELOPED FOR INTERSTATE ACCESS UNDER THE FCC PLAN. THIS WAS TRUE EVEN THOUGH THE FCC SUSPENDED THE INTERSTATE TARIFFS AT THE LAST MINUTE UNTIL APRIL 3, 1984. THE KCC, HOWEVER, DID NOT ADOPT THE END USER CHARGES PROPOSED UNDER THE FCC PLAN. FURTHERMORE, THE KCC DECIDED THAT ITS PLAN SHOULD BE TEMPORARY-TO LAST ONLY THROUGH 1984.

IN THE ACCESS CHARGE PROCEEDING THE COMMISSION ALSO DETERMINED A TEMPORARY METHOD BY WHICH SOUTHWESTERN BELL AND THE INDEPENDENT TELEPHONE COMPANIES WOULD SHARE OR "SETTLE" THE TOLL REVENUES FROM INTRA LATA SERVICES WHICH THEY JOINTLY PROVIDE. THERE ARE PENDING SEVERAL REQUESTS FOR REHEARING ON VARIOUS DETAILS OF THE ACCESS CHARGE DECISION.

ANOTHER ACTION WHICH MIGHT BE VIEWED AS TEMPORARY IS THE RESOLUTION OF SOUTHWESTERN BELL'S RATE CASE. THE COMMISSION, IN AN INTERIM PROCEEDING, GRANTED BELL AN INCREASE OF \$96.7 MILLION OF THE ORIGINALLY REQUESTED \$213.7 MILLION. THIS MEANT AN INCREASE IN BASIC LOCAL RATES OF \$1.35 FOR RESIDENTIAL AND \$1.75 FOR BUSINESS CUSTOMERS. THE RATES FOR OTHER SERVICES WERE INCREASED FROM 15% TO 20%. MOST OF THE \$96.7 MILLION WAS ACTUALLY GENERATED FROM THE ACCESS CHARGES OF \$65 MILLION WHICH WILL BE PAID BY AT&T.

SHORTLY BEFORE DIVESTITURE, THE FCC ALSO DECIDED TO DEREGULATE THE EMBEDDED CUSTOMER PREMISES EQUIPMENT (CPE) WHICH WAS TRANSFERRED FROM THE BELL OPERATING COMPANIES TO AT&T. CONSEQUENTLY THOSE TELEPHONE SETS AND SYSTEMS WHICH WERE LEASED

FROM SOUTHWESTERN BELL ARE NO LONGER SUBJECT TO TARIFF REGULATION. INSTEAD THE FCC APPROVED OF A TWO YEAR PRICE PREDICTABILITY AND SALE PLAN FOR AT&T. THE FCC HAS NOT YET DETERMINED HOW THE EMBEDDED CPE OWNED BY INDEPENDENT TELEPHONE COMPANIES WILL BE DEREGULATED.

THE FCC HAS ALSO FINALLY MADE A DECISION IN ITS THREE YEAR OLD JOINT BOARD PROCEEDING ON ALLOCATION OF NONTRAFFIC SENSITIVE COSTS BETWEEN INTERSTATE AND INTRASTATE JURISDICTIONS. THAT DECISION WILL EVENTUALLY ALLOCATE ONLY 25% OF NTS COSTS TO INTERSTATE EXCEPT THAT A CERTAIN PERCENTAGE OF COSTS ABOVE THE NATIONAL AVERAGE WILL ALSO BE RECOVERED BY COMPANIES THROUGH A UNIVERSAL SERVICE FUND.

ALTHOUGH MANY DECISIONS HAVE NOW BEEN MADE AND IMPLEMENTED, THE CORPORATION COMISSION STILL HAS IMPORTANT DECISIONS TO MAKE IN THE COMING MONTHS AND YEARS. ONE OF THE MOST IMPORTANT CONCERNS THE EXTENT OF LONG DISTANCE COMPETITION TO BE ALLOWED IN KANSAS AND THE MANNER IN WHICH OTHER LONG DISTANCE COMPANIES SHOULD BE REGULATED. ALSO SOON TO BE DECIDED IS THE MANNER OF REGULATING CELLULAR RADIO SERVICES. AND OF COURSE A MORE PERMANENT DECISION ON ACCESS CHARGES AND SETTLEMENTS ARRANGEMENTS WILL BE MADE BEFORE THE END OF THE YEAR. THE COMMISSION IN ITS ORDER IN THE BELL RATE CASE ALSO REQUIRED STAFF TO BEGIN REVIEWING MAJOR ITEMS OF CONSTRUCTION BY SWB. IN ORDER TO ADDRESS ALL THESE ISSUES, THE COMMISSION HAS NOW ESTABLISHED A COMMUNICATIONS SECTION WITHIN THE UTILITIES DIVISION. STAFF IS

HOPEFUL THAT WE CAN BEGIN TO EXAMINE SOME OF THE DETAILS WHICH
HAVE NOT BEEN ADDRESSED YET, AND ALSO SOME OF THE LONG TERM
QUESTIONS RAISED BY THE CHANGES WHICH HAVE OCCURRED.

GB

The Honorable David J. Heinemann, Chairperson
Committee on Energy and Natural Resources
House of Representatives
Third Floor, Statehouse

Dear Representative Heinemann:

SUBJECT: Fiscal Note for House Bill No. 2622 by Special
Committee on Energy and Natural Resources

In accordance with K.S.A. 75-3715a, the following fiscal
note concerning House Bill No. 2622 is respectfully submitted to
your committee.

Enactment of this legislation would amend various statutes
relating to furharvester, hunting and fishing license exemptions.
The provisions would:

- (1) Require resident individuals under 14 years of age to purchase a furharvester's license. Currently, these individuals do not need a license if accompanied by a person who is licensed.
- (2) Require those on active duty in the armed forces or on military leave to purchase a furharvester's, fishing or hunting license. Military personnel are currently exempt from purchasing such licenses.
- (3) Require American Indians to purchase a furharvester's, fishing or hunting license. This group is currently exempt from purchasing such licenses.
- (4) Require residents under 16 and over 65 years of age to purchase a fishing or hunting license. These age groups are currently exempt from purchasing such licenses.
- (5) Require Texas residents over the age of 65 years to purchase a furharvester's, fishing or hunting license. This group is exempt from purchasing such licenses.
- (6) Exempts all honor camp inmates and residents of SRS institutions from obtaining a fishing license. Only those under the age of 21 years are currently exempt.

Attorney General

Revenue Lost Through Exemptions
Fish and Game Commission

<u>Type of Exemption</u>	<u>Exemptions</u>	<u>FY 85 Estimated Revenue Lost</u>
Under 16 years	52,712	\$ 508,029
Age 65 and over	61,432	594,102
American Indians (free licenses are issued)	2,193	22,245
Military	9,000	91,296
TOTAL	<u>125,337</u>	<u>\$1,215,672</u>

Assuming all individuals losing exemptions, under provisions of the act, will then purchase licenses, fees to the Forestry, Fish and Game Fee Fund would increase by an estimated \$1,215,672.

Sabrina Wells

Sabrina Wells
Budget Analyst
For the Director of the Budget

SW:dj

The Honorable David J. Heinemann, Chairperson
Committee on Energy and Natural Resources
House of Representatives
Third Floor, Statehouse

Dear Representative Heinemann:

SUBJECT: Fiscal Note for House Bill No. 2623 by Special
Committee on Energy and Natural Resources

In accordance with K.S.A. 75-3715(a) the following fiscal
note concerning House Bill No. 2623 is respectfully submitted to
your committee.

Enactment of this legislation would allow Fish and Game to
issue twenty-four hour fishing licenses to residents and
non-residents upon payment of a fee not to exceed \$2.

The agency estimates that 15,000 24-hour licenses could be
sold annually, resulting in \$30,000 of additional receipts to the
Forestry, Fish and Game Commission Fee Fund.



Sabrina Wells
Budget Analyst
For the Director of the Budget

dj

Attachment B

The Honorable David J. Heinemann, Chairperson
Committee on Energy and Natural Resources
House of Representatives
Third Floor, Statehouse

Dear Representative Heinemann:

SUBJECT: Fiscal Note for House Bill No. 2624 by Special
Committee on Energy and Natural Resources

In accordance with K.S.A. 75-3715a, the following fiscal
note concerning House Bill No. 2624 is respectfully submitted to
your committee.

Enactment of this legislation, which amends K.S.A. 1983
Supp. 32-164b, would increase the statutory limits within which
the Kansas Fish and Game Commission can set certain license fees.

Five types of licenses are affected by this legislation.

<u>Type of License</u>	<u>No. Sold in 1982</u>	<u>\$ Increase Maximum Fee</u>	<u>Additional Potential Revenue</u>
Resident Hunting	151,174	\$ 2	\$ 302,348
Resident Fishing	244,422	2	488,844
Resident Furharvester	7,962	2	15,924
Nonresident Hunting	45,559	5	227,795
Nonresident Fishing	13,390	5	66,950
TOTAL	450,456		\$1,101,861

Though current rates are not changed by this legislation,
the maximum fee that can be assessed by the Fish and Game
Commission will be increased.

Based on the number of licenses issued in 1982, receipts to
the Forestry, Fish and Game Fee Fund would be increased by an
estimated \$1,101,000 should the Commission elect to increase the
fees from the current to the proposed maximums.



Sabrina Wells
Budget Analyst
For the Director of the Budget

SW:dh

Attachment 4