

7eb.5,1985
Approved Jayne Aylward
Date

MINUTES OF THE HOUSE COMMITTEE ON COMMUNICATION, COMPUTERS AND TECHNOLOGY.

The meeting was called to order by Representative Jayne Aylward at
Chairperson

3:30 ~~am~~ p.m. on January 29, 1985 in room 522-S of the Capitol.

All members were present except:

Committee staff present:

Ray Hauke, Research Department
Lynn Holt, Research Department
James A. Wilson, III, Senior Assistant Revisor
Jean Mellinger, Secretary to the Committee

Conferees appearing before the committee:

Bill Abbott of Boeing Company introduced Ellis Ingle who spoke in favor of HB 2044 (Attachment 1).

Representative Friedeman asked what he thought of this bill, specifically Section 5 defining a misdemeanor and whether a loss of over \$100 could be proven, whether that was strong enough. Mr. Ingle replied they would have to prove the value of the data not just the tape. Representative Friedeman asked if they were satisfied with the dollar value. Mr. Ingle said they were. Representative Friedeman, quoting from Mr. Ingle's testimony, "recourse consistent with the value of the data," asked if they were really referring to a civil trial rather than a criminal trial. Mr. Ingle indicated that was right.

Representative Green asked if he saw any problems with the secrecy of the military. Mr. Ingle did not.

Representative Saltee mentioned there wasn't much of a penalty if nothing under \$100 was destroyed and was concerned with military secrets. Mr. Ingle replied that if you access the system that is using time and time on the computer is expensive.

Representative Chronister inquired if there is anything under civil statutes to deal with this. Jim Wilson indicated that there wasn't any statute but they always have access to the civil procedures in the court. Representative Chronister asked if they needed to put anything in the bill to speak to computer crimes also being covered in that area. Jim Wilson said he didn't think it was necessary. Mr. Ingle said they had attorneys look at the bill and they think they have it covered.

Representative Dean asked if some of this was covered under the Federal Computer Privacy Act. Mr. Ingle said they see no conflict. Representative Dean asked how the bill compares with the federal act. Mr. Ingle said he understood the federal act was more in teleprocessing. Representative Dean inquired if someone accessed information out of the computer if they weren't liable under the Federal Espionage Act. Mr. Ingle replied that they were.

Pat Hubbell spoke in favor of the bill and mentioned a case in Washington State where an employee obtained money by use of the computer.

John Jenia stated he was present to support HB 2044.

Eldon Flory said he was appearing to support HB 2044.

Lou Stevens said Beach Aircraft also has a large investment in computers and he was present to support HB 2044.

Representative Dean asked what Mr. Stevens thought the cost would be if one of the specs they are currently writing were destroyed. Mr. Stevens replied that it would be astronomical.

CONTINUATION SHEET

MINUTES OF THE HOUSE _____ COMMITTEE ON COMMUNICATION, COMPUTERS AND TECHNOLOGY

room 522-S, Statehouse, at 3:30 ~~xxx~~/p.m. on January 29, 1985

Tom Sparkman stated that Pizza Hut has its centralized computer facility located in Wichita and he is present in support of HB 2044.

Duane Clark said he was also present to support HB 2044.

The chairman mentioned that there were letters passed out from Jim Maag of the Kansas Bankers Association (Attachment 2) and James Turner with the Kansas League of Savings Institutions (Attachment 3).

The Hearing on HB 2044 was concluded.

The chairman mentioned a letter (Attachment 4) that was distributed to the members from David Horning concerning HB 2007 and opened the meeting for committee discussion.

Representative Sifers presented two amendments (Attachment 5).

Representative Sifers moved that the first amendment be accepted. Representative Roper seconded the motion. Representative Dean asked for clarification of the amendment. Jim Wilson said that in essence it directs that amounts allocated and distributed would be the amounts as specified by the legislative appropriations. That has been the practice, and the bill tends to see that it is continued. This language tends to indicate legislative intent that the appropriation process not reflect a bulk amount. The motion carried.

Representative Sifer moved the second amendment be accepted. Representative Dean seconded the motion. Representative Friedeman made a substitute motion which is a conceptual motion with the help of the revisors with the intent to say 1) the acquisition of new equipment; 2) modification or replacement of existing equipment; and 3) for the purchasing of new equipment required for the expansion of broadcast services to the unserved areas of the state. Representative Sifers seconded the motion. The amendment is to be inserted into page 5 (1) and obtaining matching funds is to remain in the bill. The substitute motion carried.

Representative Helgerson moved that HB 2007 be passed out favorably as amended. Representative Dean seconded the motion. The motion carried.

The meeting adjourned at 4:20 p.m.

The next meeting of the committee will be held at 3:30 p.m. on Thursday, January 30, 1985.

1-29
REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Communication, Computers and Technology

Recommends that House Bill No. 2007

"AN ACT relating to public television and radio broadcasting; establishing a public broadcasting commission and prescribing the powers, duties and responsibilities thereof; concerning state financial assistance for public broadcast services; amending K.S.A. 75-4905, 75-4906, 75-4907, 75-4909 and 75-4910 and repealing the existing sections and also repealing K.S.A. 75-4908."

Be amended:

On page 3, in line 108, preceding "noncommercial" by inserting "those"; in line 109, after "Kansas", by inserting "in amounts to each such station as specified by appropriations acts of the legislature";

On page 5, in line 165, after "modification" by inserting "or replacement"; also in line 165, by striking "required" and inserting in lieu thereof "to provide for broadcast services to currently served areas of the state or"; in line 167, after "state" by inserting ", or any combination of such purposes,"; also in line 167, preceding "such purposes" by inserting "any of";

And the bill, which affects state moneys, be passed as amended;

And this report and these recommendations be referred to the Committee on Ways and Means pursuant to Rule 903(b) of the Rules of the House.

Chairperson



BOEING COMPUTER SERVICES COMPANY

A Division of The Boeing Company

453 SOUTH WEBB ROAD, SUITE 200, WICHITA, KANSAS 67207
(316) 688-6911

January 29, 1985

House Committee on Communication, Computers
and Technology
State House
Topeka, Kansas 66612

Madam Chairman
Members of the Committee:

My name is Ellis Ingle and I am with Boeing Computer Services Company (BCS). BCS provides the computing for the Boeing Military Airplane Company (BMAC) in Wichita.

I appear today in support of H.B. 2044.

At the BMAC facility in Wichita we have 8 computer centers, 1,200 terminals, over 150,000 data files and two dishes that beam data via satellite. We are part of the largest privately owned telecommunications network in the world.

This computing equipment is used to design airplanes, process the financial business of the company, store employee records, research and development, and to drive the manufacturing arm of the company.

At BMAC we process various classifications of data which are assets of the company. That includes military classified, unclassified military, Boeing limited/proprietary and commercial sensitive.

We are asking that the law be designed and implemented to deal with the changing technologies of computer science. There are many reasons why Boeing is supporting H.B. 2044. We feel proper legislation is needed to get offenders off the streets and allow a company to recoup some of its losses. When proprietary data is tampered with or stolen, its value has decreased.

The computing power at BMAC has increased over 1300% over the last five years and storage capacity has increased over 1900% to approximately 450 billion words. With this amount of dependence that companies have placed on computers you can see why we are supporting your bill. Each year more and more business data is stored on computers and in the future all business data will be stored on computers.

(Attachment 1)
1/29/85

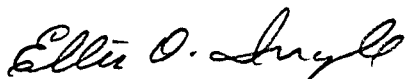
The current state statutes lack specific definitions in the computing area. Additionally current statutes lack penalties or recourse consistent with the value of the data.

We are asking for this law to assist in helping us protect our hardware (computing disk files, etc.) against physical abuse, our data against corruption, and the system against fraud. The protection of the owner's rights in software is increasingly important, especially as software and data become a larger percentage of the data processing budget. It is our intent to prevent the invasion of our rights and when they are violated, provide evidence to show that our obligation in protecting the resources have been carried out.

I wish to thank you for the opportunity to present this information.

Sincerely,

Boeing Computer Services
(A Division of The Boeing Company)



Ellis D. Ingle
Quality Assurance Manager

STATES WITH COMPUTER CRIME LAWS

ALASKA	MONTANA
ARIZONA	NEVADA
CALIFORNIA	NEW MEXICO
COLORADO	NORTH CAROLINA
CONNECTICUT	NORTH DAKOTA
DELAWARE	OHIO
FLORIDA	OKLAHOMA
GEORGIA	PENNSYLVANIA
HAWAII	RHODE ISLAND
IDAHO	SOUTH DAKOTA
ILLINOIS	TENNESSEE
IOWA	UTAH
MARYLAND	VIRGINIA
MASSACHUSETTS	WASHINGTON
MICHIGAN	WISCONSIN
MINNESOTA	WYOMING
MISSOURI	



The KANSAS BANKERS ASSOCIATION
A Full Service Banking Association

January 29, 1985

TO: THE HOUSE COMMITTEE ON COMMUNICATION, COMPUTERS AND TECHNOLOGY

FROM: THE KANSAS BANKERS ASSOCIATION

RE: HB 2044

A handwritten signature in cursive script, appearing to read "Jim Manz".

The State Affairs Committee of the Kansas Bankers Association has endorsed the provisions of HB 2044. It is the opinion of the Committee that such legislation is necessary to clearly set forth in the Kansas statutes what constitutes computer crime and computer theft.

Thank you for the opportunity to express our opinions on this issue, and we strongly urge you to give favorable consideration to HB 2044.

(Attachment 2)
1/29/85

KLSI Kansas League of Savings Institutions

JAMES R. TURNER, President • Suite 612 • 700 Kansas Ave. • Topeka, KS 66603 • 913/232-8215

January 29, 1985

TO: COMMUNICATIONS, COMPUTERS, AND TECHNOLOGY
FROM: JIM TURNER, KANSAS LEAGUE OF SAVINGS INSTITUTIONS
RE: H.B. 2044

The Kansas League of Savings Institutions appreciates the opportunity to file a statement with the committee in support of the passage of H.B. 2044.

The proliferation of computers, computer networks, software and services has created an environment that is conducive to both computer theft and computer crime. The criminal element revolves around two primary issues:

1. The unlawful and unauthorized appropriation of properties which include software, computer programs, electronic devises and other tangibles or intangible items of value, and
2. Knowingly and fraudulently or knowingly and without authorization obtaining the use of any computer, computer system, computer network, or any computer software, program, documentation, data or property contained in such computer, computer system or computer network.

These unlawful acts clearly violate the principles of property ownership and the rights of privacy. Therefore, we urge members to support the penalties prescribed in House Bill No. 2044 as well as the passage of the bill.

James R. Turner
President

JRT:bw

(Attachment 3)
1/29/85

KHCC 90.1fm

815 N. Walnut, Suite 300 • Hutchinson, Kansas 67501 • (316) 665-3555

January 25, 1985

Rep. Jayne Aylward
Room 425-S
Statehouse
Topeka, KS 66612

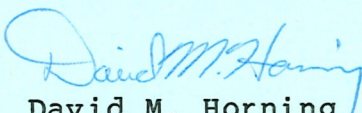
Dear Rep. Aylward:

I am writing a bit belatedly to explain my absence from the January 22 public hearing, (and I'm afraid from the next few meetings) for HB 2007 in the CCT committee. As president of the Kansas Public Radio Association, I have been at all of the CCT as well as Public TV Board meeting during the past 15 months to work toward the inclusion of public radio in the state's public broadcasting funding.

As you may have heard, my wife and I are expecting our first baby any day now. Since we have had some problems in the past, I have decided not to travel out of town until after the baby is born. I am, however, vitally interested in the progress of HB 2007 as well as the line item of \$75,000 for public radio funding listed in the governor's budget. I am also always available by phone to answer any questions or to provide any information the committee or you might need. As you know Quentin Hope, the vice-president of KPRA is now representing the group. Quentin has a great deal more legislative experience than I, and as you probably know, is quite an impressive young man.

On a personal level, I am delighted that someone from our area is now chairing the CCT committee. KHCC has a large group of supporters in the Salina area. In fact, we are in the planning stages of a yet to be announced project of rather major proportions in Salina which I am anxious to fill you in on in the near future. I look forward to meeting you in the not too distant future and sincerely hope you will drop by the station when your schedule allows.

Warmest Regards,


David M. Horning
General Manager

DH/k1

(Attachment 4)
1/29/85



HB 2007

Page 3, subparagraph F:

Allocate and distribute state funds to (those) noncommercial public radio and television stations serving Kansas (in amounts to each station as specified by legislative appropriations) to sustain the operation of such stations;

Page 5, subparagraph 1:

1. Delete italicized portion
2. Modification (or replacement) of existing equipment.

(Attachment 5)
1/29/85