

April 8, 1985
 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 ~~a.m.~~/p.m. on April 1, 1985 in room 522-S of the Capitol.

All members were present except:
 Clarence Love (excused)

Committee staff present:
 Ray Hauke, Research Department
 Jean Mellinger, Secretary to the Committee

Conferees appearing before the committee:
 Hank Avila, Research Department
 David Brevitz, Kansas Corporation Commission

Chairman Aylward opened the meeting.

Hank Avila, staff member for the Senate Transportation and Utilities Committee, in giving some background on "resale" as referred to in SB 226 suggested that the committee obtain a copy of Docket No. 141,975-U from the Kansas Corporation Commission which summarizes this issue and some of the problems connected with it. This bill was requested by Southwestern Bell as a result of divestiture and a lot of new technologies and attempts to regulate those that are going to offer local telephone services for resale. These companies claim they are not a public utility because they limit their services to a few. Mr. Avila explained the amendments which the Senate put in the bill.

Chairman Aylward asked if it was still required to have the same number of lines running into the dorms as going out to serve students that live in the dorms and was told that the Senate's response to that was that they fall under private use as applied to telephone-telecommunication services.

David Brevitz said the order on this issue came out in December of 84; the Commission had a hearing three weeks ago; the briefs on that matter are due before the Commission on April 17; and, after that, they will take up all the issues and make a decision. The share-tenant services situation is basically for tenants or customers to get one party to take care of communication needs when they move into a leased facility. The Commission will be investigating local rates and rate structure and can look into the impact that resale might have on local rates.

Representative Friedeman asked concerning partitioning. Mr. Brevitz explained that when partitioned, the PBX would have to have separate trunk lines for each business served instead of grouping them altogether. Representative Friedeman said that Mr. Brevitz mentioned it wasn't so much the price but the service provided and asked for further comment on this. Mr. Brevitz said that the financial gain they get doesn't seem to be from selling local services but on reselling long distance service and selling the new enhanced value-added type services. Tenants seem to be more attracted to the image of the building being able to offer use of new technology and new communication services instead of drawing comparisons between phone company rates and effective local exchange rates on resale operation.

Chairman Aylward asked if the highly concentrated areas of service are lost to the basic phone company, what the Commission anticipates is going to happen to the rural customer where they have to run a line twelve miles to serve one person and was told that whether there is going to be a burden or not depends upon what happens in the growth areas, if the slack is picked up there really isn't a cause for alarm.

Representative Friedeman moved that the minutes of the meeting of March 28, 1985, be approved. Representative Sallee seconded the motion. The motion carried. The meeting adjourned at 4:25 p.m. The next meeting of the committee will be on call of the chairman.