

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on January 30, 1996 in Room 123-S of the Capitol.

Members present: Senators Salisbury, Burke, Downey, Feleciano, Gooch, Harris, Hensley, Jordan, Petty, Ranson, Reynolds, Steffes and Vidricksen.

Committee staff present: Lynne Holt, Legislative Research Department
Jerry Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes
Betty Bomar, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Upon motion by Senator Steffes, seconded by Senator Jordan, the Minutes of the January 29, 1996 meeting were unanimously approved.

The Chair asked for comments and discussion on the following:

Confirmation of Susan Bittell, appointment to the Kansas Technology Enterprise Corporation, term expiring January 15, 1998

Confirmation of Kurt Saylor, appointment to the Kansas Technology Enterprise Corporation, term expiring January 15, 1999

Confirmation of Tracy B. Taylor, appointment to the Kansas Technology Enterprise Corporation, term expiring January 15, 1998

Confirmation of William J. Wilhelm, Ph.D., reappointment to the Kansas Technology Enterprise Corporation, term expiring January 15, 1999.

Senator Burke moved, seconded by Senator Vidricksen, that **Susan Bittell, Kurt Saylor, Tracy B. Taylor and William J. Wilhelm, Ph.D.**, be recommended favorable for confirmation to the Kansas Technology Enterprise Corporation. The recorded vote was unanimous in favor of the motion.

Lynne Holt, Legislative Research Department, briefed the Committee regarding the Telecommunications Strategic Planning Committee and its Final Report. Copy on file in the office of Legislative Research.

Ms. Holt informed the Committee the Strategic Planning Committee was established by the 1994 Legislature in the adoption of S.C.R. 1627, and charged it with the responsibility of developing a statewide strategic plan for telecommunications. The Committee was comprised of 17 members, including six legislators, a representative from the Division of Information Systems and Communications (DISC) and the Corporation Commission. The remaining nine members were appointed by the Legislative Coordinating Council from each of the diverse areas of the telecommunications industry. The Committee was assisted by a matching grant received by the Corporation Commission. This grant enabled the Legislative Coordinating Council, upon recommendation of the Committee to engage a consulting firm - Weber Temin & Company/DCI (formerly T.E.L.A. Group/DCI).

The scope of the Committee's work over a period of 18 months is described in the 11 chapters of the Report. The Committee with assistance from the consultants, developed a policy framework. The Framework is to "encourage competition in all markets, with a transition from monopoly as rapidly as possible consistent with consumer benefit and industry stability, and stimulate with incentives the construction of an

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m. on January 30, 1996.

advanced telecommunications infrastructure, so as to meet all current and future needs in a prudent and economical manner, while protecting universal service, so as to ensure that telecommunications service is available at affordable rates throughout Kansas". The Policy Framework states many objectives - - competition, transition from monopoly to competition, industry stability, an advanced telecommunications infrastructure, and the protection of universal service which embraces both the availability and affordability of services. The Committee is aware that any transition to competition from monopoly will not be smooth. There is a difference of opinion among the various telecommunications providers as to what the most appropriate standards are for defining "competition", the existing level of competition for given services in Kansas, and the necessary conditions that must exist to ensure a "level playing field" among providers to promote competition.

Simultaneously as the Committee was considering the Policy Framework, the Corporation Commission addressed many of the same issues and Commission staff provided periodic updates on the status of various proceedings during the Committee's deliberation. Pending federal telecommunications legislation, which still is in conference committee, loomed in the background. Despite the federal legislation and the lack of consensus that exists with respect to making the transition to a competitive telecommunications environment, the issues presented in this Report are the main issues to be considered when making a decision in the telecommunications area.

The Telecommunications Strategic Planning Committee recommended two pieces of legislation: 1) the Vision Statement be introduced in the form of a resolution and 2) establishment of an advisory board within the Kansas Corporation Commission to administer the Telecommunications End-User Support Fund.

Senator Burke moved, seconded by Senator Reynolds, that a Resolution reflecting the Vision Statement recommended by the Telecommunications Strategic Planning Committee be introduced. The voice vote was unanimous in favor of the motion.

Senator Burke moved, seconded by Senator Reynolds that a bill be introduced as a Committee Bill establishing an advisory board to administer the telecommunications end-user support fund housed within the Kansas Corporation Commission. The voice vote was unanimous in favor of the motion.

The meeting adjourned at 9:00 a.m.

The next meeting is scheduled for January 31, 1996.

