

Approved: 4-5-96
Date

MINUTES OF THE HOUSE SELECT COMMITTEE ON TELECOMMUNICATIONS.

The meeting was called to order by Chairperson Doug Lawrence at 1:45 p.m. on March 11, 1996 in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Lynne Holt, Legislative Research Department
Bob Nugent, Revisor of Statutes
Mary Ann Graham, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Chairman Doug Lawrence called the meeting to order at 1:45 p.m. He announced that the proposed **Substitute Bill 2728** has been drafted and will be distributed for everyone to review. Copies were given to committee members. (See Attachment 1) Also copies of Comparison of Key Provisions of Kansas TSPC Proposal and HB 2728 were distributed. (See Attachment 2)

The Chairman reviewed the proposed bill which has seventeen sections, he reviewed and discussed the language in most of the sections. After he had completed discussing the bill he asked if committee members had any questions. A number of questions were raised and discussed.

The Chairman announced that tomorrow, March 12, has been set aside for public comments concerning the new proposed bill. Anyone interested in doing this needs to give their name to the committee secretary, no later than noon tomorrow. He also announced that he would be around after the meeting today to answer any questions people in the industry might have.

The meeting adjourned at 3:05 p.m.

The next meeting is scheduled for March 12, 1996.

HOUSE SELECT COMMITTEE ON TELECOMMUNICATIONS COMMITTEE GUEST LIST

DATE: 3-11-96

NAME	REPRESENTING
CARL KREHBIEL	MOUND RIDGE TELEPHONE CO.
Steve Sackin	Wamego TEL Co. Inc.
RICHARD VEACH	PIONEER TELEPHONE
RD LAWSON	Sprint/United
Stephen Minnis	Sprint/United
Barb Paschke	Regents
Jon Spiles	JTC
JASON PUTSCHBERGER	JMO SMOOT
John Reinhart	KPA
Rob Hodges	KTA
Bill Sneed	SW Bell
DENNY S. KOCH	SW BELL
Ken Baker	Comptel of Ks.
Bill BLASE	SWBT
John Peterson	Capitol of Kansas
Debra Peterson	Sprint
Michael Ensrud	Comptel - K S
Heinemann	KCC
Tom Day	KCC

HOUSE SELECT COMMITTEE ON TELECOMMUNICATIONS COMMITTEE GUEST LIST

DATE: 3-11-96

NAME	REPRESENTING
Jay Scott Emler	KIWI L.C.
M. CLARISIMONA	Classic
Tom Hein	CLASSIC COMMUNICATIONS
Julie Hein	"
STEVE KEARNEY	KIWI L.C.
Catrick Newley	AT&T
Eva Powers	MCI
Mark Caplinger	SITA
John Piregon	SITA
George Barber	RTMC
Scott Richardson	SWBT
Cyndi Gallagher	SWBT
Roger Beles	KOPR
MIKE LURA	AT&T
Bob Marshall	KCPA Mid-America
Carrall O'Neil	AT&T
Mike Reecht	AT&T
Dave Jones	CGI Long Distance
STEVE SAUNDER	VALU-LINE TO KANSAS

SUBSTITUTE FOR HOUSE BILL NO. 2728

By Committee on Appropriations

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AN ACT concerning telecommunications services; amending K.S.A. 66-1,187 and K.S.A. 1995 Supp. 75-4709 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. It is hereby declared to be the public policy of the state to:

(a) Ensure that consumers throughout the state realize the benefits of competition through increased services and improved telecommunications facilities and infrastructure at reduced costs;

(b) promote consumer access to a full range of telecommunications services, including advanced telecommunications services that are comparable in urban and rural areas throughout the state;

(c) advance the development of a statewide telecommunications infrastructure that is capable of supporting applications, such as public safety, telemedicine, services for persons with special needs, distance learning, public library services, access to internet providers and others; and

(d) protect consumers of telecommunications services from fraudulent business practices and practices that are inconsistent with the public interest, convenience, and necessity.

Section 2. K.S.A. 66-1,187 is hereby amended to read as follows: 66-1,187. As used in this act:

(a) "Broadband" means the transmission of digital signals at rates equal to or greater than 1.5 megabits per second.

*House Sef/comm. Telecomm.
3-11-1996
ATTACHMENT 1*

1 **(b) "CLASS services"** means custom local area signaling
2 services, which include automatic callback, automatic recall,
3 calling number identification, selective call rejection, selective
4 call acceptance, selective call forwarding, distinctive ringing and
5 customer originated trace.

6 **(c) "Commission"** means the state corporation commission.

7 **(d) "Dialing parity"** means that a person that is not an
8 affiliate of a local exchange carrier is able to provide
9 telecommunications services in such a manner that customers have
10 the ability to route automatically, without the use of any access
11 code, their telecommunications to the telecommunications services
12 provider of the customer's designation from among two or more
13 telecommunications services providers, including such local
14 exchange carrier.

15
16 **(e) ~~Federal act~~** means the federal telecommunications
17 act of 1996, P.L. 104-104 (amending the communications act of 1934,
18 47 U.S.C. 151, et seq.)

19 **(f) "ISDN"** means integrated services digital network
20 which is a network and associated technology that provides
21 simultaneous voice and data communications over a single
22 communications channel.

23 **(g) "LATA"** has the meaning ascribed to it in the federal
24 act.

25
26 **(h) "Local exchange carrier"** means any
27 telecommunications public utility or its successor providing
28 switched telecommunications service within any local exchange
29 service area, as approved by the commission on or before January 1,
30 1996. However, with respect to the Hill City exchange area in
31 which multiple carriers were certified by the commission prior to
32 January 1, 1996, the commission's determination, subject to any
33 court appeals, of which authorized carrier shall serve as the
34 carrier of last resort will determine which carrier shall be deemed
35 the local exchange carrier for that exchange.

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1 (i) "Number portability" has the meaning ascribed to it
2 in the federal act.

3 (j) "1+ intraLATA dialing parity" means the ability of a
4 local exchange service customer to specify the telecommunications
5 or local exchange carrier that will carry the intraLATA long
6 distance messages when that customer dials either "1" or "0" plus
7 a 10 digit number.

8 (k) "Operating area" means:

9 (1) In the case of a rural telephone company, operating
10 area or service area means such company's study area or areas as
11 approved by the federal communications commission;

12 (2) in the case of a local exchange carrier other than
13 a rural telephone company, operating area or service area means
14 such carrier's local exchange service area or areas as approved by
15 the commission.

16 (l) Rural telephone company has the meaning ascribed to
17 it in the federal act; excluding any local exchange carrier which
18 together with all of its affiliates has 20,000 or more access lines
19 in the state.

20 (m) "Telecommunications carrier" means a corporation,
21 company, individual, association of persons, their trustees,
22 lessees or receivers that provides a telecommunications service,
23 including but not limited to, interexchange carriers and
24 competitive access providers, but not including local exchange
25 carriers certified before January 1, 1996.

26 (n) "Telecommunications public utility" means any public
27 utility, as defined in K.S.A. 66-104, and amendments thereto, which
28 owns, controls, operates or manages any equipment, plant or
29 generating machinery, or any part thereof, for the transmission of
30 telephone messages, as defined in K.S.A. 66-104, and amendments
31 thereto, or the provision of telecommunications services in or
32 through any part of Kansas.

33 ~~(b) "Commission" means the state corporation commission.~~

34 (o) "Telecommunications service" means the provision of
35 a service for the transmission of telephone messages, or two way

1 video or data messages.

2
3 (p) "Universal service" means telecommunications
4 services and facilities which include single party, two-way voice
5 grade calling; stored program controlled switching with vertical
6 service capability, E911 capability, tone dialing, access to
7 operator services, access to directory assistance, and equal access
8 to long distance services.

9
10 (q) Enhanced universal service, means
11 telecommunications services in addition to those included in
12 universal service, which shall include signaling system seven
13 capability, with CLASS service capability; basic and primary rate
14 ISDN capability; full fiber interconnectivity or the technological
15 equivalent between central offices; and broadband capable
16 facilities to all schools accredited pursuant to K.S.A. 72-1101 et
17 seq., and amendments thereto, hospitals as defined in K.S.A. 65-
18 425, and amendments thereto, public libraries, state and local
19 government facilities which request broadband services. On or
20 before January 1, 1997, the commission shall review the services to
21 be included in enhanced universal service. Upon a finding that a
22 service is:(1) not commercially viable in rural areas and not
23 widely deployed in urban areas; or (2) technologically obsolete,
24 the commission may exclude such service from the definition of
25 enhanced universal service.

26 New Section 3. The commission shall:

27 (a) adopt a definition of enhanced universal service,
28 pursuant to subsection (q) of section 2;

29
30 (b) authorize any requesting telecommunications carrier
31 to provide local exchange or exchange access service pursuant to
32 subsection (a) of section 4;

33
34 (c) initiate an investigation and issue an order pursuant
35 to section 5, adopting guidelines for granting certificates to any

1 telecommunications carrier applying to provide local exchange or
2 exchange access service in any operating area of the state served
3 by a rural telephone company;

4
5 (d) review, approve, and ensure compliance with network
6 infrastructure plan submitted by a local exchange carrier pursuant
7 to section 6;

8
9 (e) review, approve, and ensure compliance with
10 regulatory plans submitted by local exchange carriers pursuant to
11 section 6;

12
13 (f) on or before January 1, 1997, establish, pursuant to
14 section 7, the Kansas lifeline service fund, hereinafter referred
15 to as the KLSF;

16
17 (g) initiate and complete a proceeding by January 1,
18 1997, to establish a competitively neutral mechanism to fund dual
19 party relay services for Kansans who are speech or hearing
20 impaired; this funding mechanism shall be implemented by March 1,
21 1997;

22
23 (h) on or before January 1, 1997, establish, pursuant to
24 section 9, the Kansas universal service fund, hereinafter referred
25 to as the KUSF, and make various determinations relating to the
26 implementation of such fund;

27
28 (i) authorize all telecommunications service providers to
29 provide internet access to specified parties under certain
30 conditions outlined in section 13 and report on the status of the
31 implementation provisions to specified legislative committees;

32
33 (j) review the federal act and adopt additional standards
34 and guidelines as necessary for implementation of slamming
35 restrictions pursuant to section 14;

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1 (k) at least every 5 years after July 1, 1996, review
2 and, to the extent necessary, modify the definition of universal
3 service, and KUSF, taking into account advances in
4 telecommunications and information rechnology and services;
5

6 (l) on or before January 1, 1997, initiate and complete
7 a proceeding to establish minimum quality of service standards
8 which will be equally applicable to all local exchange carriers and
9 telecommunications carriers in the state; any local exchange
10 carrier or telecommunications carrier violating such standards
11 shall, for each offense, forfeit and pay a penalty of not less than
12 \$100, nor more than \$5,000. Violations of such standards shall be
13 enforced in accordance with provisions of K.S.A. 66-177, and
14 amendments thereto; and

15 (m) On January 1, 2000, the commission shall prepare and
16 submit a report to the legislature. The report shall include ana
17 analysis of the manner in which the regulatory framework has served
18 to protect consumers, safeguard universal service, ensure that
19 consumers have reap the benefit of competition, maximize market
20 forces and promote development of the telecommunications
21 infrastructure throughout the state.

22 New Section 4. (a) On or before September 1, 1996, the
23 commission shall begin to authorize any requesting
24 telecommunications carrier to provide local exchange or exchange
25 access service, if the requesting telecommunications carrier has
26 been granted a certificate of public convenience to transact
27 utility business in the state.

28 (b) A local exchange carrier shall be required to offer
29 to allow reasonable resale of its retail telecommunications
30 services and to sell unbundled local loop, switch and trunk
31 facilities to telecommunications carriers, as required by the
32 federal act and pursuant to negotiated agreements or a statement of
33 terms and conditions generally available to telecommunications
34 carriers.

35 (c) To encourage telecommunications carriers to build or

1 install telecommunications facilities, including, but not limited
2 to, local loop and switching facilities in the state, and except as
3 otherwise negotiated by a local exchange carrier and a
4 telecommunications carrier, the prices for such unbundled
5 facilities shall recover the actual costs, including an appropriate
6 allocation of joint and common costs and a reasonable profit; the
7 discount for resale of any existing retail telecommunications
8 services provided by local exchange carriers shall not exceed 10%
9 unless the commission finds that there is clear and convincing
10 evidence that the avoided costs are greater than 10%; and the
11 commission shall approve resale restrictions proposed by any local
12 exchange carrier which prohibit resellers from purchasing retail
13 telecommunications services offered by that local exchange carrier
14 to one category of customers and reselling those retail services to
15 a different category of customers, or from purchasing retail
16 telecommunications services and aggregating the usage of multiple
17 customers on those resold services, or any other reasonable
18 limitation on resale to the extent permitted by the federal act.

19 (d) Except as provided in the federal act, in order for
20 telecommunications carriers to provide local exchange service and
21 exchange access service, local exchange carriers shall provide the
22 means to interconnect their respective customers, including but not
23 limited to, toll access, access to operator services, access to
24 directory listings and assistance, and access to 911 service.

25 (e) Telecommunications carriers, including, but not
26 limited to, cable television companies that directly or indirectly
27 through affiliated enterprises provide local exchange or exchange
28 access service shall provide local exchange carriers corresponding
29 interconnection, resale of their existing telecommunications
30 services and unbundled access to their facilities on the same terms
31 and conditions as are required of the local exchange carriers.

32 (f) Customers shall be accorded number portability and
33 local dialing parity in conformance with national standards to the
34 extent economically and technically feasible. Terms and prices for
35 interconnection, unbundled facilities and resale of existing retail

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1 telecommunications services shall be negotiated in good faith
2 between the parties, but upon the request of either party, the
3 commission shall intervene and arbitrate open issues on an
4 expedited basis if an agreement is not reached between the parties
5 after 135 days of negotiation.

6 (g) The commission shall require, consistent with the
7 terms of the federal act, that 1+ intraLATA dialing parity be
8 provided by all local exchange carriers and telecommunications
9 carriers coincidentally with the provision of in-region interLATA
10 toll services in the state by local exchange carriers with more
11 than 150,000 access lines or their affiliates.

12 New Section 5 (a) Pursuant to the federal act, the
13 commission shall not require unbundling or resale of services for
14 rural telephone companies unless there is a bona fide request for
15 the service and the commission finds that the request is not unduly
16 economically burdensome; is consistent with the protection of
17 universal service and with the public interest, convenience and
18 necessity; avoids a significant adverse impact on users of
19 telecommunications services generally; and avoids imposing a
20 requirement that is technically infeasible.

21 (b) The commission shall not issue more than one
22 certificate to provide local exchange or exchange access service in
23 the service area of a rural telephone company until such time as
24 the commission has completed a general investigation and adopted
25 statewide guidelines in a final order regarding the application of
26 the federal act to the certification of telecommunications carriers
27 in service areas of rural telephone companies. As part of the
28 general investigation, the commission shall hold at least two
29 public hearings in different areas of the state served by rural
30 telephone companies, seeking public comment on issues relating to
31 the investigation. Such investigation shall be initiated on or
32 before August 1, 1996, and shall include, but not be limited to:

33 (1) technical feasibility of multiple providers of
34 telecommunications service in service areas of the state served by
35 rural telephone companies, including, but not limited to, technical

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1 issues, such as: the additional equipment required to accommodate
2 resale; interconnection; telephone number administration and
3 portability; and dialing parity;

4
5 (2) economic burden on rural telephone companies,
6 including, but not limited to economic burden issues, such as:
7 costs necessary to meet the technical feasibility requirements;
8 expense of studies to determine costs of unbundled facilities and
9 services; and other administrative costs. (The economic burden
10 analysis shall also consider the impact of resale on rural
11 telephone company revenues and investment, including investments
12 required pursuant to subsection (a) of section 6);

13 (3) preservation and advancement of universal service
14 including, universal service issues, such as: continued existence
15 of a carrier of last resort able to serve every part of, and every
16 customer in, the relevant service area; access for all customers to
17 universal service at reasonable and affordable rates; the effect on
18 the quality of telecommunications service available to all
19 customers in such service area; and the effect on access to
20 advanced telecommunications services for schools, health care
21 providers, and public libraries.

22
23 (c) Using the findings of such investigation, the
24 commission shall develop guidelines to serve as a basis for
25 granting certificates to telecommunications carriers in service
26 areas of rural telephone companies, placing the highest priority on
27 preservation and enhancement of universal service. The commission
28 shall provide preliminary findings no later than October 31, 1996,
29 and shall issue a final order no later than December 31, 1996.

30
31 (d) After adoption of the guidelines, the commission may
32 consider an application for a certificate to provide local exchange
33 or exchange access service in the service area of a rural telephone
34 company. The commission shall grant such application only upon
35 finding that: (1) the application complies with commission

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1 guidelines for multiple providers in rural telephone company
2 service areas; (2) the applicant meets the requirements in section
3 214 (e) (1) of the federal act for designation as an eligible
4 telecommunications carrier for that area; (3) the applicant will
5 provide service throughout the service area of the existing rural
6 telephone company; (4) the applicant will meet and maintain quality
7 of service standards established by the commission pursuant to
8 subsection (1) of section 3; and (5) the approval of the
9 application is consistent with the public interest, convenience,
10 and necessity.

11 (e) Any restrictions established by the commission in
12 this investigation for rural entry of competitors or for resale and
13 unbundling of services shall not apply to any service area of a
14 rural telephone company if such company, or an entity in which such
15 company directly or indirectly owns an equity interest of
16 10% or more, provides local exchange or exchange access service, as
17 authorized under section 4 and this section in any area of the
18 state outside of its local exchange areas as approved by the
19 commission on or before January 1, 1996, and outside of any area in
20 which it is the successor to the local exchange carrier serving
21 such area on or before January 1, 1996.

22
23 New Section 6. (a) Each local exchange carrier shall
24 file a network infrastructure plan with the commission on or after
25 January 1, 1997 and prior to January 1, 1998. Each plan, as a part
26 of universal service protection, shall include schedules, which
27 shall be approved by the commission, for deployment of the enhanced
28 universal service capabilities defined pursuant to subsection (q)
29 of section 2. Each plan shall demonstrate the capability of the
30 local exchange carrier to comply on an ongoing basis with quality
31 of service standards to be adopted by the commission no later than
32 January 1, 1997.

33
34 (b) In order to protect universal service, facilitate
35 the transition to competitive markets, and stimulate the

1 construction of an advanced telecommunications infrastructure, each
2 local exchange carrier shall file a regulatory reform plan at the
3 same time as it files the network infrastructure plan required in
4 subsection (a) of this section. As part of its regulatory reform
5 plan, a local exchange carrier may elect traditional rate of return
6 regulation or price cap regulation. Regulatory reform plans shall
7 also include:

8 (1) a commitment to provide existing and newly ordered
9 point-to-point broadband services to any hospital as defined in
10 K.S.A. 65-425, and amendments thereto, school accredited pursuant
11 to K.S.A. 72-1101 *et seq.* and amendments thereto, public library or
12 other state and local government facilities at discounted prices
13 close to, but not below, long-run incremental cost; and
14

15 (2) a commitment to provide basic rate ISDN service at
16 prices which are uniform throughout the carrier's service area and
17 which are designed to stimulate the development of an extensive
18 residential market. Local exchange carriers shall not be required
19 to allow customers purchasing the foregoing services to resell
20 those services to other categories of customers. The commission may
21 reduce prices charged for services outlined in provisions (1) and
22 (2) of this subsection, if the commitments of the local exchange
23 carrier set forth in those provisions are not being kept.
24

25 (c) For regulatory reform plans in which price cap
26 regulation has been elected, price cap plans shall have three
27 baskets: Residential and single-line business, including
28 touch-tone; switched access ; and miscellaneous services.
29

30 (d) A price cap is a maximum price for all services taken
31 as a whole in a given basket. After the initial three years of
32 rate rebalancing, and except for any subsequent authorized rate
33 rebalancing, no adjustment to an individual service price within
34 the residential and single-line business service basket shall
35 increase more than the consumer price index. Prices for individual

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1 services and for services to individual customers may be reduced
2 within a basket. An entire basket, if desired by the local exchange
3 carrier, may be priced below the cap. No service shall be priced
4 below long-run incremental cost which shall serve as a price floor.
5 Access charges equal to those paid by telecommunications carriers
6 to local exchange carriers shall be imputed as part of the price
7 floor for toll services offered by such local exchange carriers on
8 a total toll service basis. Any downward adjustment in the price
9 of services within a price cap not otherwise reflected in existing
10 tariff rates or rate charges shall be presumed lawful and shall
11 become effective upon seven days notice, or such shorter time as
12 the commission shall approve, if the tariff applicant has a good
13 faith basis to believe the price reduction is necessary to meet the
14 price offered by an alternate provider to the customer, or in the
15 area for which the new price applies. Any other downward adjustment
16 in rates or rate ranges for an individual service or for services
17 to individual customers shall be effective upon 14 days notice, or
18 such shorter time as the commission shall approve, and shall not be
19 suspended for more than 90 days pending any final order of the
20 commission.

21 (e) The price cap for the residential and single-line
22 business basket, including touch-tone, shall be established at the
23 prices existing when the regulatory plan is filed. In the first
24 three years of the plan, the price cap shall be adjusted annually
25 by a rate rebalancing factor to offset the loss in revenues
26 estimated for the following year due to reductions in both access
27 charges and the imputed access portion of intraLATA toll charges
28 provided by local exchange carriers, but shall not account for
29 revenue reductions due to market share losses. The commission
30 shall review and issue a final order within 60 days of any price
31 cap adjustment filing and shall adjust prospectively the price cap
32 to reflect any overestimate or underestimate of demand for the
33 immediately preceding year. The rebalancing factor shall be
34 applied to the basket as a whole and shall continue to be used as
35 necessary for the commission to ensure that a revenue balance is

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1 reached for any access and local price rebalancing under this
2 section. Total increases in the monthly residence and single-line
3 business rates shall be limited to \$1.50 per line in each of the
4 first three years of the price cap plan, unless the commission
5 authorizes a greater amount. Rate rebalancing may occur after the
6 initial three-year rate rebalancing to correspond to any
7 adjustments made to interstate access rates. Any increases in the
8 price cap which is the residential and single-line business basket
9 for rate rebalancing in subsequent years shall be subject to the
10 approval of the commission in accordance with subsection (f) of
11 this section. In addition to any authorized rate rebalancing after
12 the first three years of the price cap plan, the price cap which is
13 the residential and single line business basket shall thereafter be
14 adjusted annually based on the change in the consumer price index
15 minus 1.5 percent. However, no increase shall be made to such
16 price cap during the first three years of the price cap plan for
17 any purpose other than for the purpose of rate rebalancing pursuant
18 to this section.

19
20 (f) Price caps for intrastate switched access shall be reduced over
21 a three-year period with the objective of equalizing interstate and
22 intrastate prices, as long as corresponding changes to local
23 service price caps are made under subsection (e) of this section.
24 After the initial three-year period, intrastate switched access
25 prices shall be capped at the price of switched interstate access,
26 as long as the commission authorizes corresponding changes to local
27 service price caps under subsection (e) of this section, or
28 recovery of any such additional amounts on a revenue neutral basis
29 from the KUSF.

30
31 (g) The price cap for the basket of all miscellaneous
32 regulated services other than residential and single-line business
33 including touch-tone, and switched access shall be adjusted
34 annually based on the change in consumer price index minus 1.5
35 percent. Such services shall continue to be price regulated until

1 the affected local exchange carrier begins to offer 1+ intraLATA
2 dialing parity or July 1, 1997, whichever occurs first. The
3 commission may also price deregulate any individual service or
4 service category upon a finding that the service or service
5 category is nonessential for particular residential or business
6 users or there is an alternate provider of the service. Changes in
7 the price of services subject to this price cap shall be effective
8 within seven days after a tariff is filed. Such filing shall
9 include information demonstrating that the price cap for the entire
10 basket will not be exceeded by the filing. Such a change shall be
11 presumed lawful unless it is determined that the price cap for the
12 entire basket has been exceeded.

13 (h) In the case of any service which has been price
14 deregulated, the commission shall impose price regulation for such
15 service in a separate basket, upon showings to the commission that:
16 the service is essential for particular residential or business
17 users; there is no alternative source for the service; and the
18 price of the service has risen more rapidly than the price of basic
19 residential local service. The price cap for such basket shall be
20 adjusted annually based on the change in consumer price index minus
21 1.5 percent.

22 (i) The commission shall require that for all local
23 exchange carriers all such price deregulated intraLATA toll
24 services be geographically averaged statewide and not be priced
25 below long-run incremental cost.

26
27 (j) Cost studies to determine price floors shall be
28 performed as required by the commission in response to complaints.
29 On or before January 1, 1997, local exchange carriers with more
30 than 150,000 access lines in this state shall file with the
31 commission long-run incremental cost studies for any of its
32 existing services that the commission requested in its January 4,
33 1996 order in Docket No. 190,492-U.

34
35 (k) Any new service introduced after July 1, 1996 and

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1 prior to July 1, 1997, shall be placed in the miscellaneous service
2 basket for any local exchange carrier that elected price cap
3 regulation as part of its regulatory plan. After July 1, 1997, new
4 services shall be price deregulated but subject to reregulation as
5 provided in subsection (h) of this section.

6
7 (l) No audit, earnings review or rate case shall be
8 performed with reference to the price cap plan and the initial
9 prices filed as required herein.

10
11 (m) Telecommunications carriers shall not be subject to
12 price regulation, except that: Access charge reductions shall be
13 passed through to consumers by reductions in basic intrastate toll
14 prices; and basic toll prices shall remain geographically averaged
15 statewide. As required under K.S.A. 66-131, and amendments
16 thereto, and except as provided for in subsection (c) of section 5,
17 telecommunications carriers that were not authorized to provide
18 switched local exchange telecommunications services in this state
19 as of July 1, 1996, including cable television operators who have
20 not previously offered telecommunications services, must receive a
21 certificate of convenience based upon a demonstration of technical,
22 managerial and financial viability, and the ability to meet quality
23 of service standards established by the commission. Any
24 telecommunications carrier or other entity seeking such certificate
25 shall file a statement, which shall be subject to the commission's
26 approval, specifying with particularity the areas in which it will
27 offer service, the manner in which it will provide the service in
28 such areas and whether it will serve both business customers and
29 residential customers in such areas. Any structurally separate
30 affiliate of a local exchange carrier that provides
31 telecommunications services shall be subject to the same regulatory
32 obligations and oversight as a telecommunications carrier, as long
33 as the local exchange carrier's affiliate obtains access to any
34 services or facilities from its affiliated local exchange carrier
35 on the same terms and conditions as the local exchange carrier

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1 makes those services and facilities available to other
2 telecommunications carriers. The commission shall oversee
3 telecommunications carriers to prevent fraud and other practices
4 harmful to consumers and to ensure compliance with quality of
5 service standards adopted for all local exchange carriers and
6 telecommunications carriers in the state.

7
8 New Section 7. On or before January 1, 1997, the
9 commission shall establish the Kansas lifeline service fund,
10 hereinafter referred to as the KLSF. The purpose of the KLSF shall
11 be to promote the provision of universal service by local exchange
12 carriers to persons with low-income or special needs. The KLSF
13 shall be targeted to maintain affordable rates for basic local
14 exchange service. The commission shall approve a means test to
15 determine the eligibility of customers for such low-income
16 assistance. The KLSF shall provide funds to offset any basic local
17 exchange price increases that low income customers would otherwise
18 incur pursuant to subsection (c) of section 8 or as a consequence
19 of rate rebalancing pursuant to subsection (e) of section 6.

20 New Section 8. (a) A rural telephone company that has
21 not elected price cap regulation pursuant to subsection (b) of
22 section 6 shall restructure its switched and special access rates
23 to bring the rates and rate structures into parity with its
24 corresponding interstate rates and rate structures effective March
25 1, 1997, except that the rate for intrastate basic billing and
26 collection service, excluding advertising inserts and
27 uncollectables, shall not exceed \$.05 per message. Any net revenue
28 increase that would otherwise occur for any rural telephone
29 company as a result of this restructuring shall be reflected in an
30 adjustment of the intrastate local switching rate below the
31 interstate rate for any such company. To ensure continued parity
32 of intrastate and interstate access rates, rural telephone
33 companies shall file updated tariffs not later than every two years
34 after March 1, 1997.

35 (b) All local exchange carriers and telecommunications

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1 carriers providing long distance service in Kansas shall reduce
2 their statewide average long distance rates to reflect the net
3 reductions in access charges set forth in subsection (a) of this
4 section; however, such carriers shall be allowed to increase long
5 distance rates to reflect the KUSF and KLSF surcharge set forth in
6 section 11.

7
8 (c) (1) Beginning March 1, 1997, rural telephone
9 companies shall have the authority to increase annually their
10 monthly basic local residential and business rates by an amount not
11 to exceed \$1.50 until such monthly rates reach an amount equal to
12 the statewide rural telephone company average rates for such
13 services. The statewide rural telephone company average rates
14 shall be the arithmetic mean of the lowest flat rate as of March 1,
15 1996 for local residential service and for local business service
16 offered by each rural telephone company within the state. To the
17 extent that a rural telephone company reaches such statewide
18 average rates by March 1, 2000, the funding it receives from the
19 KUSF shall not be affected;

20
21 (2) On March 1, 2000, an individual rural telephone
22 company's funding shall be reduced by the difference between the
23 revenue which would have been generated by the statewide rural
24 telephone company average local business and residential rates
25 multiplied by the respective number of residential and business
26 access lines served by such company and the actual revenue from
27 local business and residential rates for the individual rural
28 telephone company;

29
30 (3) A rural telephone company which, after increasing
31 local rates \$1.50 per line per month in each of three successive
32 years following March 1, 1997, continues to have a local rate below
33 the statewide rural telephone company average rate shall
34 nevertheless continue to receive full KUSF funding as herein
35 provided, as long as such rural telephone company continues to

1 increase such local rate by \$1.50 per month annually until the
2 statewide rural telephone company average rate is achieved. If the
3 statewide rural telephone company average rate is achieved through
4 a final increase in local rates of less than \$1.50 per month, such
5 rural telephone company shall likewise continue to receive full
6 KUSF funding for the year in which such final increase is made.
7

8 (d) The commission shall approve, upon not more than 120
9 days notice, any basic local exchange price increases that in the
10 aggregate in any one year are \$1.50 or less per access line per
11 month, that are proposed by any rural telephone company and that
12 comply with the requirements of this section. Any such proposed
13 price increases shall be presumed reasonable and not subject to
14 commission investigation and review if the rural telephone company
15 has followed the notice requirements set forth below. However, the
16 commission shall initiate an investigation if more than 15% of the
17 subscribers subject to the rate increase request such an
18 investigation within 90 days of the date of distribution of the
19 notice of the proposed change. Upon filing such an application for
20 a rate increase, any rural telephone company seeking expedited
21 approval of the proposed rate under this section shall send a
22 notice to its subscribers by regular mail, which may be included
23 with regular subscriber mailings. The notice shall include a
24 schedule of the proposed local exchange rates, the effective date
25 of the rates and a description of the procedures by which the
26 subscribers can petition the commission to determine the
27 reasonableness of the proposed rates.
28

29 (e) The commission shall have the right to investigate and
30 determine the reasonableness of an increase in local exchange rates
31 and charges under subsection (d) of this section by any rural
32 telephone company not subject to local exchange rate regulation
33 within one year of the time local exchange rates or charges are
34 increased. If the commission determines such rate or charge
35 increases are unreasonable, the commission shall have the authority

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1 to order a rate hearing and, after such hearing, shall have the
2 authority to rescind all or any portion of the increases found to
3 be unreasonable.

4 New Section 9. On or before January 1, 1997, the
5 commission shall establish the Kansas universal service fund,
6 hereinafter referred to as the KUSF:

7 (a) Rural telephone company revenues lost as a result
8 of the provisions of subsection (a) of section 8 shall be recovered
9 on a revenue neutral basis from a newly established KUSF. The
10 revenue neutral calculation shall be based upon the revenues for
11 the 12 months prior to September 30, 1996, levelized for rate
12 changes that are ordered by the commission prior to September 30,
13 1996.

14 (b) Any local exchange carrier that serves urban and
15 high-cost rural areas shall receive support: (1) For the difference
16 between its interstate and intrastate access rates to the extent as
17 determined by the commission that full-rate restructuring provided
18 in subsection (e) of section 6 does not occur or if the commission
19 determines that in the course of such rate restructuring the local
20 exchange carrier experiences any revenue shortfall; and (2) to
21 serve the rural areas in its service territory if the commission,
22 subject to all intervention capabilities of affected parties, as
23 provided in the stipulation in Docket No. 127, 140-U (Phase IV)
24 finds that the carrier's costs of providing local service in such
25 areas, allocated in accordance with the federal jurisdictional
26 separations procedures, which on the effective date of this act
27 were set forth in 47 C.F.R. Part 36, as in effect at the time of
28 the carrier's filing an application with the commission, and
29 including the intrastate portion of the cost of the local loop, are
30 not covered by its local rates after the restructuring provided in
31 any order by the commission authorizing price cap regulation.
32 Support provided under this subsection shall not adversely affect
33 receipt by a rural telephone company of KUSF support.

34
35 (c) Effective June 1, 1997, any rural telephone company

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1 may request supplemental KUSF support in accordance with the
2 following procedures:

3 (1) A rural telephone company, whether or not eligible
4 to initially receive KUSF support, may receive supplemental KUSF
5 funding based upon the percentage increase in its access lines, as
6 defined in the federal jurisdictional separations procedures, which
7 on the effective date of this act were set forth in 47 C.F.R.
8 Section 36.611 (a)(8), as in effect at the time of the company's
9 filing an application with the commission, over the 12 months prior
10 to its request. Such requests using simplified filing procedures
11 shall be subject to an expedited review by the commission
12 corresponding to the expedited review procedures, including all
13 review, verification and intervention capabilities of affected
14 parties, as provided in the stipulation in Docket No. 127, 140-U
15 (Phase IV). Requests shall be deemed approved if a final order is
16 not issued in 60 days.

17
18 (2) After March 1, 1997, upon filing intrastate access
19 tariffs to maintain the parity of intrastate access rates with
20 interstate rates, rural telephone companies may file requests
21 using simplified filing procedures with the commission for
22 increased support from the KUSF to be provided on a revenue neutral
23 basis. Such requests shall be subject to an expedited review by
24 the commission corresponding to the expedited review procedures,
25 including all review, verification and intervention capabilities of
26 affected parties, as provided in the stipulation in Docket No. 127,
27 140-U (Phase IV). Requests shall be deemed approved if a final
28 order is not issued in 60 days.

29 (3) A rural telephone company that has not elected
30 price cap regulation pursuant to any order of the commission
31 authorizing price cap regulation may file a request using
32 simplified filing procedures with the commission for supplemental
33 funding necessary to recover: (A) Changes to intrastate access
34 revenue requirements caused by mandatory changes in the
35 jurisdictional separation procedures adopted by the federal

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1 communications commission, as long as the request is filed within
2 12 months after the effective date of the change; and (B) changes
3 to intrastate access revenue requirements that are calculated in
4 accordance with jurisdictional separations procedures adopted by
5 the federal communications commission and that arise from: (i) the
6 provision of universal service capabilities; (ii) other
7 infrastructure expenditures in response to facility or service
8 requirements established by any legislative, regulatory or judicial
9 authority; or (iii) natural disasters. In calculating such
10 supplemental funding, the commission shall utilize the rural
11 telephone company's authorized interstate rate of return, or its
12 specific intrastate rate of return, whichever is greater. Such
13 supplemental funding shall be incurred for purposes of providing
14 service to and within the certificated territory as of January 1,
15 1996, of the rural telephone company, or its successor, eligible
16 for such funding. Affected parties shall be allowed all review,
17 verification and intervention capabilities in proceedings involving
18 any request under this subsection. However, such requests shall be
19 deemed approved if not acted upon within 120 days or if a final
20 order is not issued within 180 days of the request filing.

21 (4) Any additional KUSF funding other than as provided
22 in paragraphs (1), (2), and (3) of subsection (c) of this section
23 may be authorized in the discretion of the commission but must be
24 based upon a general rate case filing.

25 New Section 10. (a) Local exchange carriers that
26 provided switched local exchange services in the state prior to
27 January 1, 1996, or their successors, shall serve as the carrier of
28 last resort in their exchanges and shall be eligible to receive
29 KUSF and KLSF funding. However, with respect to the Hill City
30 exchange area in which multiple carriers were certified prior to
31 January 1, 1996, the commission's determination, subject to court
32 appeals, of which authorized carrier shall serve as carrier of last
33 resort also shall govern which carrier is eligible for KUSF
34 support. The local exchange carrier serving as the carrier of last
35 resort shall remain the carrier of last resort and shall be

1 entitled to recover the costs of serving as carrier of last resort
2 until relieved of that obligation as set forth in subsection (b) of
3 this section.

4 (b) A local exchange carrier shall be relieved of its
5 carrier of last resort obligations for its operating area and no
6 telecommunications or local exchange carrier shall receive KUSF
7 support for that operating area if the commission determines that:

8 (1) The revenue neutral rate restructuring that brings intrastate
9 access rates into parity with interstate access rates has occurred;
10 (2) one or more telecommunications carriers within that operating
11 area offer universal service to all inhabitants of that operating
12 area at least equal to and comparable to the service provided by
13 the local exchange carrier that has served as the carrier of last
14 resort; and (3) all telecommunications providers, including all
15 local exchange carriers, in that operating area are subject to the
16 same quality of service standards and have the same flexibility to
17 establish and change the price and other terms and conditions of
18 service.

19 (c) Beginning March 1, 1997, the amount of KUSF and KLSF
20 funds owed to each local exchange carrier in the state, based upon
21 the revenue requirements assigned to the funds for that local
22 exchange carrier or that local exchange carrier's number of
23 qualifying lifeline subscribers, shall be allocated by the fund
24 administrator in equal monthly installments.

25 New Section 11. (a) The aggregate funds and each
26 provider's funding obligation required for the KUSF and the KLSF
27 shall be recovered through a per-minute surcharge assessed to the
28 provider on all intrastate retail billed toll minutes, including
29 800 service billed minutes of telecommunications carriers, local
30 exchange carriers and wireless communications service providers.
31 The per-minute surcharge shall be collected from customers using
32 any such service provided by any telecommunications carrier, local
33 exchange carrier or wireless telecommunications provider operating
34 within the state. For purposes of this section, a call originated
35 and terminated on wireline facilities is an intrastate toll call

1 subject to this subsection if it terminates outside of the base
2 rate or extended local service area of the local exchange carrier
3 serving the area where the call originates. For purposes of this
4 section, an intrastate retail billed toll minute for wireless
5 communications service providers shall mean each intrastate minute
6 billed by a wireless communications provider for wireless
7 originated calls that are terminated outside of the terminating
8 local exchange carrier's or telecommunications carrier's base rate
9 or extended service area.

10 (b) Minutes for calls that would be classified as toll
11 minutes on the effective date of this act shall be considered toll
12 minutes irrespective of any future service repricing or
13 reclassification. Where minutes cannot be measured, surrogates
14 approved by the commission shall be used.

15 (c) On March 1, 1997, and annually thereafter, the
16 administrator selected pursuant to subsection (a) of section 12
17 shall calculate the KUSF and KLSF surcharge needed to recover all
18 funding and administrative costs and shall notify all
19 telecommunications carriers, local exchange carriers and wireless
20 communications service providers in the state of the per-minute
21 surcharge. All such providers shall be authorized to collect the
22 surcharge. In the event that the amount collected is more or less
23 than the amount necessary to cover funding and administrative
24 costs, the surcharge in the following year shall be adjusted to
25 ensure that each contributor and recipient pays and receives its
26 appropriate share, including any amounts any recipient was entitled
27 to, but did not receive, in the prior year.

28 New Section 12. (a) The commission shall utilize a
29 competitive bidding process to select a neutral, competent and
30 bonded third party to administer the KUSF and KLSF.

31
32 (b) The administrator shall be responsible for: (1)
33 Collecting and auditing all relevant information from all providers
34 receiving funds from or providing funds to the KUSF or KLSF,
35 including any providers not subject to the commission's

1 jurisdiction; (2) calculating the surcharge that shall be imposed
2 on long distance retail billed minutes of use to generate the funds
3 required by the KUSF and KLSF; (3) collecting all moneys due to the
4 KUSF and KLSF from all long distance providers in the state,
5 including providers not subject to the commission's jurisdiction;
6 and (4) distributing amounts on a monthly basis due to local
7 exchange carriers receiving KUSF or KLSF funding.

8
9 (c) Any information made available or received by the
10 administrator from providers receiving funds from or providing
11 funds to the KUSF or KLSF, including providers not subject to the
12 commission's jurisdiction, shall not be subject to any provisions
13 of the Kansas open records act and shall be considered confidential
14 and proprietary.

15
16 (d) The administrator shall be authorized to maintain an
17 action to collect any funds owed by any local exchange carrier,
18 telecommunications carrier, or wireless provider in the district
19 court in the county of the registered office of such carrier or
20 provider or, if such carrier or provider does not have a registered
21 office in the state, such an action may be maintained in the county
22 where such carrier's or provider's principal office is located. If
23 such carrier or provider has no principal office in the state, such
24 an action may be maintained in the district court of any county in
25 which such carrier or provider provides service.

26
27 (e) The KUSF and KLSF administrator shall be responsible
28 to ensure that funds do not fall below the level necessary to pay
29 all amounts collectively owed to all local exchange carriers. The
30 administrator shall have the authority to retain and invest in a
31 prudent and reasonable manner any excess funds collected in any
32 period to help ensure that adequate funds are available to cover
33 amounts payable in other periods.

34
35 New Section 13. (a) As used in this section, "internet

1 means the international computer network of both federal and non-
2 federal interoperable packet switched data networks. As used in
3 this section, ☒telecommunications service providers☒ mean local
4 exchange carriers and interexchange carriers.

5
6 (b) The commission shall authorize all
7 telecommunications service providers to provide residential
8 customers, educational institutions and public libraries in areas
9 of the state that do not have toll-free access to the Kansas City,
10 Wichita or Topeka metropolitan areas, dial-up access to one
11 internet provider within the calling customer's LATA for a flat
12 monthly fee.

13
14 (c) The dial-up access provided pursuant to this section
15 shall support at least 28.8 kilobit per-second service to all
16 public libraries, public education institutions including unified
17 school districts, area vocational schools, area vocational-
18 technical schools, community colleges, the municipal university,
19 and state educational institutions, private, nonprofit elementary
20 and secondary schools and accredited, independent institutions of
21 higher education requesting service after July 1, 1999. The dial-
22 up access provided to all other customers shall support at least
23 14.4 kilobit per-second service to all customers requesting service
24 after July 1, 1999.

25
26 (d) Customers requesting service pursuant to the act may
27 request either off peak or 24-hour service. (1) For off-peak
28 users, the flat monthly fee shall apply to access between the hours
29 of 5 p.m. and 7:59 a.m. weekdays and all hours on weekends and
30 federal holidays. The flat monthly fee shall not exceed \$15 per-
31 line per-month. (2) For customers who subscribe to 24-hour service,
32 the flat monthly fee for unlimited use shall not exceed \$30 per-
33 line per-month.

34
35 (e) Additional dial-up access to internet providers

1 within the calling customer's LATA may be added for an additional
2 flat fee as described in subsection (d) of this section.

3
4 (f) The retail prices established in this section shall
5 apply notwithstanding the prices telecommunications service
6 providers charge, with the approval of the commission or otherwise,
7 for wholesale telecommunications services that may be used to
8 provide similar services.

9
10 (g) Telecommunications service providers providing dial-
11 up access services pursuant to this section shall not be required
12 to permit resale of those services to other classes of customers,
13 to allow customers to use the services for other purposes, or to
14 allow the aggregation of usage by authorized customers.

15
16 (h) All internet providers doing business in the state
17 shall register with the commission. Such registration shall
18 include the internet provider's name, address, and access line
19 numbers. The commission shall ensure that the registration is
20 updated on a regular basis.

21
22 (i) During the 1999 session of the Kansas legislature,
23 the commission shall transmit a report to the chairperson, vice-
24 chairperson and ranking minority member of the house standing
25 committee on energy and natural resources, the senate standing
26 committee on transportation and utilities and the joint committee
27 on computers and telecommunications concerning implementation of
28 this section. The report shall include recommendations for
29 revisions in this section necessitated by technological innovation
30 or market changes in the telecommunications industry. The report
31 may also include an expiration date for this section.

32
33
34 New Section 14. (a) No local exchange carrier or
35 telecommunications carrier shall honor a request by any person

1 other than its customer to change the provider of intrastate long
2 distance or local exchange service to such customer in the state,
3 except: (1) Where the request is placed by a local or long distance
4 company that has received a letter of agency containing clear and
5 conspicuous disclosure of such change signed by the customer
6 authorizing the change; (2) where the customer affected by the
7 change initiated the contact with the local or long distance
8 company in order to request the change; (3) where the customer
9 affected by the change calls a toll-free number to confirm the
10 request for change made in response to a contact initiated by the
11 local exchange or long distance company requesting the change; or
12 (4) where the commission otherwise expressly authorizes.

13
14 (b) The requisite documentation at a minimum shall
15 identify a single designated carrier, shall be separate or
16 severable from any sweepstakes, contest or similar promotional
17 program, shall contain the telephone number of the account, and
18 shall be signed by the customer responsible for paying charges on
19 the account. In the event that a local exchange carrier or
20 telecommunications carrier changes the primary carrier for any
21 customer based upon representations that the change was authorized
22 by the customer in writing or by a customer initiated contact,
23 which is later disputed by the customer who seeks to be switched
24 back to its original carrier and is not verified by the carrier
25 requesting the change, the intrastate long distance or local
26 exchange carrier requesting the change shall be liable to the
27 customer for any amount collected from the customer in excess of
28 what the prior provider would have charged, shall be liable to the
29 local exchange carrier or telecommunications carrier for the costs
30 of making and reversing the change, shall be liable for a fine of
31 not less than \$250 per occurrence and shall be liable for any other
32 fines, penalties or damages provided by law.

33 Section 15. K.S.A. 1995 Supp. 75-4709 is hereby amended
34 to read as follows: 75-4709. (a) The secretary of administration
35 shall ~~make~~ provide provision for and coordinate all

1 telecommunications services for all divisions, departments and
2 agencies of the state pursuant to policies established by the
3 Kansas information resources council. The secretary of
4 administration shall have the authority to control the acquisition,
5 retention and use of all telecommunications services for all
6 divisions, departments and agencies of the state, and to develop
7 and review plans and specifications for telecommunications services
8 throughout the state.

9 (b) The secretary of administration, when feasible, may
10 ~~extend~~ enter into agreements with any entity defined in this
11 subsection extending to such entity the use of state intercity
12 telecommunications facilities and services under the control of the
13 secretary to private, nonprofit corporations designated by the
14 governor pursuant to federal law to perform functions within the
15 state as provided by federal law or to any governmental units, and
16 may enter into agreements with such private, nonprofit corporations
17 or governmental units for provision of such service.

18 As used in this subsection, an "entity" means:

19 (1) Any governmental unit, including any state agency,
20 taxing subdivision of the state or municipality; or

21 (2) any hospital or nonprofit corporation which the
22 secretary determines to be performing any state function on an
23 ongoing basis through agreement or otherwise, or any function which
24 will assist a governmental unit in attaining an objective or goal
25 bearing a valid relationship to powers and functions of such unit.

26 ~~(b)(c)~~ Every record made, maintained or kept by the
27 secretary of administration or the division of information systems
28 and communications, or any agency or instrumentality thereof, which
29 relates to the acquisition, retention or use of telecommunications
30 services provided to any division, department or agency of the
31 state, state officer or governmental unit and which pertains to
32 individually identifiable individuals using such telecommunication
33 services shall constitute for purposes of the open records act a
34 record of the division, department or agency of the state, state
35 officer or governmental unit to which such records relate and. The

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1 official custodian of such records for the purposes of the open
2 records act shall be the official custodian of the records of such
3 division, department or agency of the state, state officer or
4 governmental unit.

5 Sec. 16 K.S.A. 66-1,187 and K.S.A. 1995 Supp. 75-4709 are
6 hereby repealed.

7 Sec. 17. This act shall take effect and be in force from
8 and after its publication in the statute book.
9

COMPARISON OF KEY PROVISIONS
OF KANSAS TSPC PROPOSAL AND HB2728

TSPC PROPOSAL

HB2728

1. Quality of Service Standards-Not Addressed	Quality of Service Standards-Required
2. Internet Access-Not Addressed	Internet Access-Permitted
3. Slamming Safeguards-Not Addressed	Slamming Safeguards-Required
4. Universal Service Plan-Undecided	Universal Service Plan-Outlined
5. Facilities Based Competition Authorized Immediately	Encourages facilities based through pricing
No Resale of Basic Service Until InterLATA Relief	Resale permitted
6. Not Required to Unbundle and Resell Loop, Trunk and Switch Before Interexchange Relief	Must unbundle as Required by Federal Law
7. Rural Market Entry Provisions -Not Addressed	Regulatory Proceeding Required to Establish Procedures for Rural Entry
8. Simultaneous 1+ LD Competition	Same
9. Infrastructure Plan	
-Interoffice Fiber	Same
-ISDN	Same
-SS7 Capability	Same
-Broadband to Schools, Hospitals and Government	Same
10.Regulatory Reform Plan	
-Basic Service Price Caps	Same
-Discret./Comp. Service Price Deregulation	Price Deregulation Delayed
-State Toll Access Prices Linked to Interstate	Same
-Rate Rebalancing	Same
-Individual Case Based Pricing	Same
-Toll-Imputation of Access	Same
-Toll-Statewide Average Rates	Same
11.Cost Studies-LRIC	Same
12.No price regulation of other local providers	Same
13.Access reductions to be passed through in toll rates	Same

*House self/comm. Telecomm.
3-11-1996
Attachment 2*