

Approved: 4-5-96
Date

MINUTES OF THE HOUSE SELECT COMMITTEE ON TELECOMMUNICATIONS.

The meeting was called to order by Chairperson Doug Lawrence at 7:05 a.m. on March 13, 1996 in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Lynne Holt, Legislative Research Department
Mary Ann Graham, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Chairman Doug Lawrence called the meeting to order at 7:05 a.m. by saying he appreciated the committee's indulgence in affording this discussion opportunity. He said at this point he would like to discuss some elements of **Substitute Bill 2728** and get the feel for what the committee would like to do. Procedural wise the committee could simply adopt the substitute bill to have something to work from, however, if the committee would like to start working with the language in **HB 2994** they could do that.

The Chairman recognized Rep. Packer. Rep. Packer made a motion that the committee adopt **Substitute Bill 2728**, Rep. McClure seconded the motion. Chairman Lawrence opened the floor to discussion on the bill. He said he has spent many hours working on the language of this bill but does not want the committee to make any decisions on the basis of what the Chairman thinks. The committee is going to adopt the committee's work and he will vote only in the event of a tie. He said he will express his opinions but the decisions will be those of the committee.

The Chairman said the committee heard a lot of comments in yesterday's meeting, March 12, from a lot of conferees. He respects their comments and opinions but also does disagree with some of them. One thing that was said that he did not like was a comment by AT&T that there is irrefutable evidence that this is a cost declining industry. AT&T recently filed for a 5% increase in long distance rates, they filed by sending a letter to the FCC, on one day's notice and that went in to effect. MCI and Sprint also did the same thing shortly there after. The reason for that was increase in cost, the price of intra state long distance rates are now above, for AT&T basic rates, 1988 levels. If there is irrefutable evidence that cost are declining the Chairman cannot understand why costs are increasing in almost every sector in the telecommunications business.

The Chairman recognized Rep. Packer. He referred to page 17, New Section 8, C (1), (2), (3), concerning the \$1.50 monthly increase. Discussion followed on this issue and suggestions that this section of the bill be deleted and sections D and E be left in.

The Chairman recognized Rep. Bryant. He does not agree with raising rates and also collecting from the Universal Fund, New Section 8, C (1).

Rep. McClure asked what happens if the committee does nothing and who should set the policies. Chairman Lawrence said if the committee adopts this bill one thing that will happen is that long distance rates will come down. The other thing is that it makes a clear statement about how competition could come to this state.

Rep. Krebbiel referred to and discussed New Section 6, page 11 sec D, line 30 and 31, concerning price cap baskets and freezing prices for three years. The Chairman responded to this by discussing price caps.

Rep. Bryant stated that this bill looks like a three year plan.

Rep. Packer closed discussion, a vote was taken to adopt **Substitute Bill 2728**, motion passed.

The meeting adjourned at 8:15 a.m.

The next meeting is scheduled for March 13, 1996

HOUSE SELECT COMMITTEE ON
TELECOMMUNICATIONS COMMITTEE GUEST LIST

DATE: 3-13-96 A.M.

NAME	REPRESENTING
BILL BLASE	SUBT
Joy Scott Emmer	KINI L.C.
STEVE KEARNEY	KINI L.C.
Roger Vonfeldt	Rural Telephone Services Co.
CARL KREHBIEL	MOUNDRI DGS TELEPHONE CO.
RICHARD VEACH	PIONEER TELEPHONE
John P. Pinegar	SITA
Doug Smith	SITA
Carroll Wood	ATT
Mike Reesett	AT&T
Mike Kura	AT&T
Denny Koch	SW Bell Tel
Jim Whittell	SWB
Bill Sreed	SW Bell
McFannin	SWBT
Hemen	KCC
John Petersen	Cyrtel of Kansas

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DATE: 3-13-96 A.M.

NAME	REPRESENTING
Bill Drexel	SUBST