

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Don Myers at 9:00 a.m. on February 16, 1998 in Room 514-S of the Capitol.

All members were present except: Rep. Burroughs - excused
Rep. Mayans - excused

Committee staff present: Lynne Holt, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Chairman Don Myers asked Staff, Mary Ann Torrence, Revisor of Statutes Office, to brief the Committee regarding Sub for **HB 2649** and the differences in the amendments. It was mentioned that Staff was working off of an earlier amendment, but not the one handed out in Committee. The balloon prepared by Staff that was distributed to the Committee this morning was prepared to show the differences in the two amendments. Staff noted that a lot of the changes were terminology changes except the two substantive differences. (Attachment #1)

Questions and discussion followed. The Chairman appointed a Sub-Committee on **Sub for HB 2649** and he appointed Vice-Chairman Clay Aurand to chair the Sub-Committee and asked for a report back from the Sub-Committee by Monday of the following week, February 23, 1998. The Chairman also appointed Representative Alldritt, Representative McKinney, Representative Humerickhouse and Representative Johnson as members of the Sub-Committee.

The Chairman requested that the Kansas Corporation Commission, the Attorney General's Office, the long distance and local carriers work with the Sub-Committee. The Chairman noted that the purpose is to get at deceptive practices, not honest mistakes, but to do something that will assist the consumers in Kansas to not have their telephone service changed without their knowledge.

The Chairman mentioned that the Committee will be meeting in Room 313-S tomorrow to begin hearings on the Kansas Universal Service Fund bills.

The meeting was adjourned at 9:40 a.m.

The next meeting is scheduled for February 17, 1998.

Substitute for HOUSE BILL No. 2649

By Committee on Utilities

2-9

House Utilities
02-16-98
Attachment 1

9 AN ACT concerning telecommunications; prescribing procedures for
10 changes in a customer's primary carrier of long distance service; pro-
11 viding penalties for violations.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. (a) As used in this section, "customer" means any person,
15 firm, partnership, corporation or legal entity that is authorized to order
16 telecommunications services supplied by a telecommunications services
17 provider.

18 (b) No local exchange carrier or telecommunications carrier shall
19 honor a request by any person other than its customer to change the
20 primary carrier of long distance service to such customer in the state
21 unless:

22 (1) The request is placed by a local or long distance company that
23 has received a letter of agency that complies with the provisions of sub-
24 section (c);

25 (2) the customer affected by the change initiated the contact with the
26 local or long distance company in order to request the change;

27 (3) the customer affected by the change called a toll-free number to
28 confirm the request for ~~changes~~ made in response to a contact initiated
29 by the local exchange or long distance company requesting the change;
30 or

change

31 (4) the state corporation commission or federal communications
32 commission otherwise expressly authorizes.

33 (c) The letter of agency provided for by subsection (b)(1) shall, at a
34 minimum:

35 (1) Clearly and conspicuously disclose the change of carrier;

36 (2) identify a single designated carrier;

37 (3) be separate or severable from any sweepstakes, contest or similar
38 promotional program;

39 (4) contain the telephone number of the account; and

40 (5) be signed and dated by the customer responsible for paying
41 charges on the account.

42 (d) Any local ~~telephone company~~ or telecommunications carrier that
43 violates the verification procedures prescribed in subsection (b) shall be

exchange carrier

1 liable to:

2 (1) The customer for any amount collected in excess of the amount
3 the properly authorized carrier would have charged;

4 (2) the authorized carrier in an amount equal to the charges paid by
5 the customer to the unauthorized carrier;

6 (3) the local ~~telephone company or the telecommunications company~~
7 ~~for the costs of investigating,~~ making and reversing the change; and

exchange carrier or the telecommunications
carrier for the reasonable costs of

8 (4) the authorized carrier for an amount equal to the value of any
9 premiums to which the customer would have been entitled if the cus-
10 tomer's selection had not been changed.

11 (e) Upon receiving the amount equal to the value of any premiums
12 to which the customer would have been entitled, the authorized ~~company~~
13 shall provide or restore to the customer any premiums to which the cus-
14 tomer would have been entitled should the unauthorized change have
15 not occurred.

carrier

16 ~~(f) Local exchange carriers and telecommunications carriers shall~~
17 ~~make available to their customers, without charge, an option whereby the~~
18 ~~customer may choose in advance to limit authorized verification proce-~~
19 ~~dures to only a written authorization as specified in this section for that~~
20 ~~specific customer's account.~~

21 ~~(g) Any violation of this section is an unconscionable act or practice~~
22 ~~under the provisions of the Kansas consumer protection act and shall be~~
23 ~~subject to any and all of the enforcement provisions of the Kansas con-~~
24 ~~sumer protection act. Nothing in this section shall preclude the state~~
25 ~~corporation commission from exerting its authority as it pertains to intra-~~
26 ~~state services.~~

(f)

(g)

27 ~~(h) It shall not be a defense in an action for a violation of this section~~
28 ~~that the ~~consumer~~ authorized the change in carrier unless the customer~~
29 ~~authorized the change in a letter of agency complying with the provisions~~
30 ~~of subsection (c).~~

customer

31 ~~(i) This section shall be part of and supplemental to the Kansas con-~~
32 ~~sumer protection act.~~

(h)

33 Sec. 2. This act shall take effect and be in force from and after its
34 publication in the Kansas register.