

Approved: January 30, 1998
date

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on January 29, 1998 in Room 123-S of the Capitol.

Members present: Senators Salisbury, Barone, Brownlee, Donovan, Feleciano, Gooch, Jordan, Ranson, Steffes, Steineger and Umbarger.

Committee staff present: Lynne Holt, Legislative Research Department
Betty Bomar, Committee Secretary

Conferees appearing before the committee:
Mike Reecht, AT&T
Walker Hendrix, Counsel for the Citizens' Utility Ratepayer Board
Michael Byington, Director, Envision Governmental Affairs Office

Others attending: See attached list

Mike Reecht, AT&T, stated his company's position regarding the Kansas Universal Service Fund (KUSF). Mr. Reecht stated the Kansas Corporation Commission (KCC) was required by the 1996 Telecommunications Act to establish the KUSF in order to provide an explicit support mechanism to help pay the cost of universal service in rural Kansas. The KCC issued an Order in December 1996 establishing the KUSF. The distribution of the KUSF was to ensure all rates in Kansas were to be lowered to interstate prices, and to ensure telecommunications providers are treated in a revenue neutral manner and on an equitable and nondiscriminatory basis. (Attachment 1)

Mr. Reecht stated AT&T believes it would be premature for the Legislature to make any changes to the KUSF until the Supreme Court has issued its opinion and the KCC has had an opportunity to complete its analysis on the cost of providing universal service and make possible adjustments to the KUSF. Mr. Reecht stated it is the obligation of the KCC to conduct cost states in order to determine the correct size of the KUSF.

Walker Hendrix, Counsel for Citizens' Utility Ratepayer Board (CURB), stated CURB's challenge to the State Act has been filed with the Supreme Court contending the Act violates standards prescribed in Section 254 of the Federal Act and does not establish universal service in a "competitively neutral basis and consistent with Section 254, ... to safeguard the rights of consumers". (Attachment 2)

Mr. Hendrix stated the Kansas Act constrains the KCC's authority as it mandates that intrastate access charges be reduced to the level of federal interstate access charges. The Kansas Act requires that the incumbent local exchange companies receive full reimbursement for the reduction in access charges through the increase of local rates and other charges. The KCC is further foreclosed from performing an audit, earnings review or rate case. These constraints caused the KCC to reduce access charges by \$111.6 million over a 3 year period. The Commission accomplished this by increasing the charges for local service by \$3.21 at the end of three years for Southwestern Bell Telephone (SWBT) and \$3.00 for Sprint/United and a placing a 9.89% surcharge on the intrastate retail revenues of toll and wireless carriers.

Mr. Hendrix stated the combination of the State Act and KCC decisions have caused a burdensome situation for consumers, creating significant increases in the charges for telecommunications services as a result of open-ended use of the KUSF. The KUSF allows any telecommunications carrier to use KUSF funds for virtually any construction, expense, loss of revenues with virtually no restrictions on reason or purpose. The KUSF, therefore, becomes the guarantor and financier for the profitable telecommunications industry. The KUSF can be used for the following: a) a percentage increase in access lines over the 12 month period prior to request; b) infrastructure expenditures necessary to serve additional customers; c) recovery of shortfalls due to rebalance of rates to maintain parity with interstate access charges; d) shortfalls due to charges in access revenue requirements resulting from changes in federal rules; e) additional investment required to provide universal service and enhanced universal service; f) infrastructure expenditures in response to facility or service requirements established by any legislative, regulatory or judicial authority; and g) allows supplemental funding from the KUSF at the discretion of the KCC.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m.
on January 29, 1998.

Mr. Hendrix stated a decision from the Kansas Supreme Court should be handed down soon. If CURB prevails, the KCC will have to conduct investigations into the earnings of incumbent telephone companies. If CURB loses, consumers will incur substantial rate increases without legislative action. If there is a split decision, the KCC may have to conduct cost studies to determine the extent of universal service funding. It will be necessary for the legislature to make some adjustments in the Act to protect the consumers.

Michael Byington, Director, Envision, appeared before the Committee stating that basic access to telecommunications is presently defined in terms of only converting spoken language to written form. Mr. Byington stated the only way information can become available for deafblind individuals is to include a definition of universal service which includes the technology to convert written text to speech or to refreshable, paperless Braille. (Attachment 3)

Upon motion by Senator Feleciano, seconded by Senator Brownlee, the Minutes of the January 28, 1998 meeting were unanimously adopted as corrected.

The next meeting is schedule for Friday, January 30, 1998 for the Kansas Corporation Commission to answer question of the Committee regarding the Kansas Universal Service Fund.

SENATE COMMERCE COMMITTEE COMMITTEE GUEST LIST

DATE: January 29, 1998

NAME	REPRESENTING
Brady Cantrell	CURB
CARL KREHBIEL	MOUNDRIDGE TELEPHONE CO.
MARC ELKINS	CELLULAR ONE
John D. Pingan	SITA
Bob Storey	UMA
Dave Dittmose	KCC
Jim Carlson	SITA
Carroll O'Neal	AT+T
Mike Reght	"
Mark Barcellona	KDOATT
Bill Drexel	SWBT
Nils Reut	AT+T
WALKER HENDRIX	CURB
Nelson Krueger	LEL
STEVE KEARNEY	KIWI L.C.
Ron Hein	Classic Communications
Kate Franke	Ks qm Consulting
Paul Snider	SWBT
Doug Smith	SITA

SENATE COMMERCE COMMITTEE COMMITTEE GUEST LIST

DATE: _____

NAME	REPRESENTING
Ron Gables	Sw Bell Mobile Systems
Rob Hodges	KTA
George Barbee	RTMC
Michael Byington	Emverson
MARK CARLINGER	SITA
Jeff Nichols	Sen. Ranson
DAVE HEIDEMANN	KCC
Jerry Lammers	KCC
Brod Smoot	AT&T
Mike Casrud	Comstel - Kansas / C&I
Tom Gleason	Independent Telecom Group.
Ann Hughes	SWBT
Roger Baer	KCR
Jim Goually	Cellular One



Mike Reecht
Kansas Director
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TESTIMONY ON BEHALF OF AT&T
BEFORE THE SENATE COMMERCE COMMITTEE
REGARDING THE KANSAS UNIVERSAL SERVICE FUND
MIKE REECHT
JANUARY 28, 1998

I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE THE SENATE COMMERCE COMMITTEE TO ADDRESS AT&T'S POSITION REGARDING THE KANSAS UNIVERSAL SERVICE FUND.

THE KANSAS CORPORATION COMMISSION WAS REQUIRED BY THE 1996 STATE "TELECOMMUNICATIONS BILL" TO ESTABLISH THE KANSAS UNIVERSAL SERVICE FUND (KUSF) IN ORDER TO PROVIDE AN EXPLICIT SUPPORT MECHANISM TO HELP PAY THE COST OF UNIVERSAL SERVICE IN RURAL KANSAS.

IN RESPONSE TO THIS LAW, THE KANSAS CORPORATION COMMISSION ISSUED AN ORDER ON DECEMBER 27, 1996 WHICH ACTUALLY ESTABLISHED THE KUSF.

IN THE AREA OF THE KANSAS UNIVERSAL SERVICE FUND, HB2728 PROVIDED FOR:

- THE KANSAS CORPORATION COMMISSION TO BE RESPONSIBLE FOR THE IMPLEMENTATION AND ONGOING OVERSIGHT OF THE KUSF;
- ACCESS TO BE LOWERED TO INTERSTATE PARITY LEVELS, BRINGING KANSAS LONG DISTANCE PRICES MORE IN LINE WITH INTERSTATE PRICES. IN THE PAST, THE ACCESS CHARGES PAID BY LONG DISTANCE COMPANIES WAS AN IMPLICIT SUBSIDY WHICH WAS ONLY AVAILABLE TO INCUMBENT LOCAL EXCHANGE PROVIDERS. WITH THE NEW LAW ANY PROVIDER OF LOCAL SERVICE WILL HAVE AN EQUAL OPPORTUNITY TO RECEIVE THIS EXPLICIT SUPPORT THROUGH THE UNIVERSAL SERVICE FUND;
- DISTRIBUTION OF KUSF SUBSIDIES ON A COMPETITVELY NEUTRAL MANNER TO QUALIFIED PROVIDERS OF LOCAL SERVICE CONSISTENT WITH THE FEDERAL ACT;

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- CONTRIBUTIONS TO SUPPORT THE KUSF FROM ALL TELECOMMUNICATIONS PROVIDERS IN THE STATE ON AN EQUITABLE AND NON DISCRIMINATORY BASIS WHICH IS ALSO CONSISTENT WITH THE FEDERAL ACT.

AS YOU HEARD BEFORE, SOME ISSUES REGARDING THE KANSAS UNIVERSAL SERVICE FUND ARE CURRENTLY BEFORE THE KANSAS SUPREME COURT. THE MAJOR PROBLEM SURROUNDING THE UNIVERSAL SERVICE PLAN IS THE FACT THAT THE ACT AT SECTION 66-2008(a) PROVIDES THAT THE INITIAL AMOUNT OF THE KUSF WOULD BE COMPRISED OF THE AMOUNT OF REVENUE THE LOCAL EXCHANGE CARRIERS LOST AS A RESULT OF THE DECREASE IN ACCESS CHARGE REVENUES. INITIALLY THE COMPANIES REMAINED REVENUE NEUTRAL. THIS MEANS THAT LOCAL EXCHANGE COMPANIES DID NOT HAVE TO DEMONSTRATE ANY COST SUPPORT IN ORDER TO RECOVER THESE FUNDS. THE REVENUE NEUTRALITY PROVISION OF THE STATUTE ACCOUNTS FOR MORE THAN 95 % OF THE TOTAL FUND REQUIREMENT.

HOWEVER, SECTION 66-2008(d) REQUIRES THE COMMISSION TO PERIODICALLY REVIEW THE KUSF TO DETERMINE IF THE COST TO PROVIDE LOCAL SERVICE JUSTIFIES MODIFICATION OF THE FUND, AND TO MAKE NECESSARY CHANGES TO THE FUND. IN FACT, THE COMMISSION INDICATED IN ITS ARGUMENT TO THE SUPREME COURT, THAT IT HAS THE AUTHORITY TO EXAMINE THE COSTS OF UNIVERSAL SERVICE AND MAKE MODIFICATIONS AS DICTATED BY THE KANSAS ACT. THIS PROVISION OF THE STATE ACT WAS CITED BY THE COMMISSION TO DEMONSTRATE THAT THE KANSAS ACT WAS IN COMPLIANCE WITH THE FEDERAL ACT THAT REQUIRES COST BASED UNIVERSAL SERVICE.

AT THIS TIME AT&T BELIEVES IT WOULD BE PREMATURE FOR THE LEGISLATURE TO MAKE ANY CHANGES TO THE KUSF UNTIL THE SUPREME COURT HAS RULED ON THE MATTER AND THE COMMISSION HAS HAD THE OPPORTUNITY TO COMPLETE ITS ANALYSIS ON THE COST OF PROVIDING UNIVERSAL SERVICE AND TO MAKE POSSIBLE ADJUSTMENTS TO THE KUSF.

AT&T BELIEVES THAT IT IS INCUMBENT ON THE COMMISSSION TO INSURE THAT THE RATEPAYERS OF KANSAS PAY NO MORE THAN WHAT IT COSTS TO PROVIDE LOCAL SERVICE. FURTHERMORE, WE BELIEVE THAT THE COMMISSION HAS THE OBLIGATION TO CONDUCT COST STUDIES, AS REQUIRED BY THE STATUTE IN ORDER TO DETERMINE THE CORRECT SIZE OF THE UNIVERSAL SERVICE FUND.

THANK YOU FOR THIS OPPORTUNITY TO SHARE AT&T'S THOUGHTS ON THIS ISSUE.



BILL GRAVES
FRANK WEIMER
A.W. DIRKS
GENE MERRY
RALPH SOELTER
FRANCIS THORNE
WALKER HENDRIX

GOVERNOR
CHAIRMAN
MEMBER
MEMBER
MEMBER
MEMBER
CONSUMER COUNSEL

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TESTIMONY BEFORE THE SENATE COMMERCE COMMITTEE AN OVERVIEW OF PENDING LITIGATION ON THE KANSAS TELECOMMUNICATIONS ACT AND THE KUSF

PRESENTATION BY WALKER HENDRIX CONSUMER COUNSEL FOR THE CITIZENS' UTILITY RATEPAYER BOARD

As many of you know, the Federal Telecommunications Act of 1996 was enacted to promote competition in the local exchange markets. The Federal Act prevents a state from prohibiting or unreasonably impeding the ability of any telecommunications entity from providing interstate or intrastate service. With respect to Universal Service, there are a number of federal requirements embodied in Section 254 of the Federal Act.

Section 254 is designed to assure that universal service is available at rates that are just, reasonable and affordable. To protect consumers, there is a requirement that universal support be explicit and sufficient. There are also provisions which necessitate that cross-subsidies be removed and that accounting standards be established to prevent customers from bearing no more than a reasonable amount of joint and common costs.

Subsequent to the passage of the Federal Act, the Kansas Legislature passed the State Telecommunications Act. CURB's major challenge to the State Act is that it specifically violates the standards prescribed in Section 254 and does not establish universal service in a

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“competitively neutral basis and consistent with Section 254, ... to “safeguard the rights of consumers,” as provided by Section 253 (b) of the Federal Act.

The Kansas Act severely constrains the Corporation Commission’s authority. It mandates that intrastate access charges be reduced to the level of federal interstate access charges. The Kansas Act requires that the incumbent local exchange companies receive full reimbursement for the reduction in access charges through the increase of local rates and other charges. For price cap companies like Southwestern Bell Telephone Company (SWBT), the Commission is prohibited from changing the existing rates of these companies. Additionally, the Commission is foreclosed from performing an audit, earnings review or rate case.

These constraints caused the Corporation Commission to reduce access charges by \$111.6 million over a three year period. The Commission accomplished this result by increasing the charges for local service by \$3.21 for SWBT and \$3.00 for Sprint/United. The increases are phased-in, with the first year increases for SWBT being \$2.00 (March 1, 1997), the second year increases being \$1.00 (March 1, 1998) and the third year increases being \$.21. It also placed a 9% surcharge on the intrastate retail revenues of toll and wireless carriers.

In the first year, the Commission assigned all the revenue collected to the Kansas Universal Service Fund (KUSF). This amounted to about \$78 million. You may have noticed the assessments to fund the KUSF on your cellular bill or local phone bill.

Contrary to the universal standards, CURB alleged that the KCC violated Section 254 in the following ways:

1. The KCC did not identify the level of support which is necessary for funding universal service and did not make support levels explicit. Although there is considerable support

embodied in the existing rates of the local phone companies, these rates were not examined by the KCC, presumably because they were foreclosed from looking at them under state law. This point is very important, because the KCC has not established the amount of support that is necessary for universal service. It is conceivable that a universal support obligation could be funded out of existing rates. By not determining the amount it will cost to fund universal service, the Commission has created the potential for overcharging consumers.

2. The KCC failed to implement accounting safeguards under Section 254 (k) to assure that ratepayers are not unnecessarily burdened by costs that should be supported by other services.

3. The KCC made no cost determinations and considered cost studies as irrelevant under the state law.

The combination of the state law and KCC decisions have caused a very burdensome situation for consumers. It should be noted that the KCC decisions and state law have created significant future increases in the charges for telecommunication services in Kansas with funding from the KUSF. **The current round of increases is just the beginning!** Coupled with additional charges mandated by the Federal Communication Commission, the state law creates the potential for severe hardships.

Here is how it works. (Remember, the KCC cannot look at the existing rates of SWBT to correct overfunding problems.)

Unlike the Federal Universal Service Fund, the KUSF allows any telecom carrier to use KUSF funds for virtually any construction, expense, loss of revenues with virtually no restrictions on reason or purpose. The KUSF becomes the guarantor and financier for the highly

profitable Kansas telecom industry. K.S.A. 66-2008 (e) and (f) allows the KUSF to be used for:

- A percentage increase in access lines over the 12 month period prior to request
- Infrastructure expenditures necessary to serve additional customers within the service area of the utility.
- Recovery of shortfalls due to rebalance of rates to maintain parity with interstate access charges.
- Shortfalls due to changes in access revenue requirements resulting from changes in federal rules.
- Additional investment required to provide universal service and enhanced universal service. (Note, the definition under the state law for enhanced services has a hefty price tag and guarantees the recovery of capital investment for high tech services which may not be required by all consumers. Enhanced services are defined to include Signaling system seven capability, with CLASS service capability; basic and primary rate ISDN capability, or the technological equivalent, between central offices; and broadband capable facilities to: All schools ... hospitals ... public libraries ... and state and local government facilities which request broadband services.
- Infrastructure expenditures in response to facility or service requirements established by any legislative, regulatory or judicial authority.
- Furthermore, 66-2008 (f) allows supplemental funding from the KUSF at the discretion of the commission.

We have already seen abuses in KUSF funding requests and the potential for "gaming" the system.. S&T Telephone Cooperative filed January 14, 1998 with the KCC a request for

funds in the amount of \$378,610 to upgrade its Dighton exchange which was recently purchased from United Telephone. The problem with this request is that the KCC had previously ordered United Telephone to upgrade the Dighton exchange and provided for rate increases to complete this project. Originally, United Telephone would have used its funds to upgrade the exchange (like all companies are required to use their funds for normal maintenance and upgrades). But now, S&T asks that it be allowed to use public KUSF funds (not its own funds) to upgrade the Dighton Exchange.

It should not go overlooked that the current assessment rates are currently causing the KUSF to be overfunded. This means that consumers are being overcharged to fund the KUSF. As you know, this has been subject of innuendo and rumor under the dome. The KCC has promised to clarify this matter and will provide the extent of overfunding at a later date.

Because of the public outcry concerning these charges and the potential for this situation to get out of hand, the KCC has asked the Kansas Supreme Court to stay the effect of their orders and to postpone the \$1.00 increase for local charges which could go into effect on March 1, 1998. Obviously, the KCC's failure to curb (no pun intended) funding for universal service with a proper cost study has caused this situation to get out-of-hand. Don't be alarmed when the KCC calls for number portability to be funded by consumers as an exogenous price formula increase or another requirement of the KUSF.

To say the least, the problem has been aggravated by SWBT's increases for call waiting and other discretionary services. Although SWBT gave the legislature the impression that it would freeze rates under the state law, it waited for the conclusion of the TeleKansas price freeze and during the hiatus before filing its price cap plan, SWBT substantially increased call waiting

and other discretionary services. On October 15, 1997, SWBT requested increases in the monthly rates for residential Call Waiting in the amount of \$.75 (from \$4.75 to \$5.50), along with other increases for residential and business services ranging from \$.25 to \$3.00 for The Works (a package of 10 or so discretionary services including call forwarding, call waiting, caller ID, etc.) the Basics, Call Blocker, Call Forwarding, Three-Way Calling, Auto Redial, Priority Call, Speed Calling 8 and Selective Call Forwarding, Call Return, Auto Redial -- and a \$3.00 increase for the Works business rate. The costs for adding these services to another additional line was increased \$.35 per service. Tariffs for these increases were dated October 29, 1997 and effective December 1, 1997. The KCC staff expressed no objection to the filing in its October 23, 1997 memo to the Commission.

KUSF funding was expanded to include several new items under KCC orders. The KUSF was set up to fund for TRS in the amount of \$2.4 million. (TRS is a relay system for the hearing impaired which was previously incurred by IXC/LECs internally without any specific assessment or rate charge to telcom customers, until the KCC's 12/96 competition order change it.) The KUSF was also designed to provide funding in the amount of \$450,000 for TAP (equipment used for hearing/speech impaired persons) and Lifeline (which funds low income customers and may grow to annual expenditure of \$2 million).

The FCC assessments will add to the economic burden of consumers. The Federal residential subscriber line charge (SLC) is currently capped at \$3.50 per month for single line (primary line) residence, and beginning in 1998 the SLC for additional residence lines will increase \$1.50 to \$5.00 per additional access lines, and in 1999 goes to \$6.00 per month (adjusted for inflation) for additional lines. These increases will go up each year per the FCC

formula, but the maximum ceiling is \$9.00 per month per additional line, adjusted for inflation. After the phase-in is completed, the average SLC for incumbent price cap LECs is expected to be less than \$7.60 per month per additional line.

For the single-line business, the SLC remains the same as the rate for the single-line residence and is still \$3.50 per month. The ceiling for multi-line business customers was to increase in July 1997 from \$6.00 to one-twelfth of the annual common line costs allocated to the interstate jurisdiction divided by total access lines in 1998 or a maximum of \$9.00 per month - - adjusted for inflation, which ever is less. The SLCs for customers of certain incumbent price cap LECs did not change in July because the current SLC are below the ceiling. For SWBT, the actual SLC decreased to \$5.98 from \$6.00 in July 1997 for both the initial and additional access lines for multi-line businesses in Kansas. In 1998, the average SLC for multi-line business lines of incumbent price cap LECs is estimated to be about \$7.61 per month.

The FCC created a new charge called the presubscribed interexchange carrier charge (PICC). This new charge is to begin in 1998 and it is a flat charge assessed on long distance companies to recover common line revenues not recovered from the SLCs. For primary residence lines and single line business, the PICC will be at \$.53 per month beginning in 1998. Beginning in 1999, the ceiling will be adjusted for inflation and will increase by \$.50 per year until it equals the monthly per line common line revenues and residual interconnection charge (TIC) revenues permitted under the price cap rules, less the maximum SLC charge allowed under the FCC rules.

For additional residence lines, the maximum PICC will be no greater than \$1.50 per month in 1998 and \$2.75 for multi-line business lines. In 1999 and subsequent years it is

expected the residential PICC charge for additional lines will be adjusted for inflation and can increase by \$1.00 (and in each subsequent year the ceiling can increase by \$1.00), and \$1.50 for multi-line businesses. But the monthly PICC ceiling may never exceed the sum of one-twelfth of the annual permitted common line revenues and residual TIC revenues divided by total access lines, minus the SLC and all universal service support received by the incumbent LEC for such lines. There is a big issue as to how IXCs will recover this PICC charge from end users. The PICC charge for additional business lines is the same as additional access lines for residences or a maximum of \$1.50 for 1998. For multi-line businesses in 1998 the PICC is expected to be about \$2.75.

Finally, I would be remiss without discussing the plight of the internet customer in rural areas where access to a good ISP may require a long distance call. As you may remember, the state law provided a single flat rate for access to a long distance ISP. The rate was available as long as there was not a local ISP. In many communities, a local entrepreneur would make arrangements to become an ISP and would resell these services to local internet users. Unfortunately, many of these internet providers are without sufficient capacity and capital to provide a service which is comparable to the bigger commercial operations in the urban areas. As soon as a local ISP is in business, the phone company terminates the special long distance rate to permit access to an out-of-town ISP. This has caused much consternation among businesses that need a reliable internet provider.

In conclusion, I can only speculate about CURBs litigation in the Kansas Supreme Court. A decision could be forthcoming tomorrow, January 23, 1998, or some time soon thereafter. If CURB prevails, the KCC will have to conduct investigations into the earnings of incumbent

telephone companies. If CURB loses, consumers will incur substantial rate increases without legislative action. If there is a split decision, the KCC may have to conduct cost studies to determine the extent of universal service funding. In any event, the Kansas Legislature will have to take some action if consumers are to be protected.

Known Increases in Basic Residence Telephone Rates

(increases on a per line per month basis unless otherwise indicated)

Date: January 22, 1998

Effective	Explanation Source	Customers Impacted	* Rate Increase		Other
			Kansas	Federal	

In Place Today

Mar-97	KUSF	all	\$2.00		increases from \$3.50 to \$5.00 there are issues of how IXCs will pass on to customer no greater than \$1.50
Jan-98	SLC	all "additional" lines		\$1.50	
Jan-98	PICC	all		\$0.53	
Jan-98	PICC	all "additional" lines		\$1.50	

Other Increases in Place Today

Dec-97	SWBT	customers of	\$0.75		\$.25 to \$3.00 increases depending upon the discretionary service
Dec-97	SWBT	Call Waiting misc. other	\$0.25 to \$3.00		

Yet to Come

Mar-98	KUSF	all	\$1.00		increases from \$5.00 to \$6.00 increases from \$.53 to \$1.03 SLC capped at \$9.00 over the life can increase \$.50 per year to a yet unknown ceiling in future years can increase \$1.00 per year to a yet unknown ceiling in future years
Mar-99	KUSF	all	\$0.21		
Jan-99	SLC	all "additional" lines		\$1.00	
Jan-99	PICC	all		\$0.50	
Beyond 1999	SLC	all "additional" lines		max. \$3.00	
Beyond 1999	PICC	all		\$.50/year	
Beyond 1999	PICC	all "additional" lines		\$1.00/year	

* - the Rate Increase represents the incremental or additional/new charges to existing charges

1998 - 1999 Number portability costs?

SLC - subscriber line charge

PICC - presubscribed interexchange carrier charge

IX - interexchange carrier (AT&T, MCI, etc. ability to provide interLATA/interstate long distance)

2-10

2-10

Choices & resources for people who are blind or low vision



EnvisionSM

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January 27, 1998

TO THE SENATE COMMERCE COMMITTEE:

I first of all want to thank this Committee, and all branches of Kansas Government, for the good work which lead to the development of the Kansas Universal Service Fund over the past couple of sessions. I want to call your attention, however, to a growing gap in services which has been identified by a number of us who advocate on behalf of people who are blind or who have low vision.

For most citizens who are blind the issue where they are most limited in terms of telecommunications access is that of converting written text to speech. The technology to convert written text to speech or to refreshable, paperless Braille exists currently, and in fact is highly developed. I would postulate that the exponential growth of the internet and other electronic data retrieval and research methods is fast making the ability to deal with text over telecommunication systems a basic need. Each day, such data access is becoming more and more basic to employment and to competitiveness in our society. If the next generation of people who are blind or low vision are to be employed at greater percentages than the currently deplorably low rate of 26% of working aged legally and totally blind

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persons employed, then universal access to information transmitted through telecommunications systems has to be considered to be a basic need and a basic right for all citizens regardless of disability. Any cost of this accommodation will be compensated manyfold by allowing the next generation of blind and low vision citizens to be productively employed tax payers in much greater numbers.

Current programs seem to be defining basic access to telecommunications in terms only of converting spoken language transmitted over telecommunications systems to written form. While this is essential for access to information by people who are deaf, or who are deafblind and who can thus use paperless, refreshable computer assisted Braille readouts to access language, this definition of basic need, and this concept of what level of services must be met, may doom people who are blind or low vision to being second class citizens in dead-end jobs if indeed they are able to find jobs at all. This definition will certainly not insure that people who are blind will have access to the process of turning written, two dimensional information on a computer screen into auditory or tactile formats.

Certainly, the news is not all bad. At least telecommunications access technology does exist for blind individuals to access information. The only way, however, that it is going to be readily available to blind and low vision citizens, and the only way the vast majority of blind citizens are going to know how to use it is if such telecommunications technology is readily available via a definition of universal service which makes conversion of written text available over telecommunications systems as basic of a service as conversion of speech to text, or as basic as the very information in and of itself. Also, the only way even the best telecommunications access technology for blind and low vision users is going to continue to work practically is if laws and standards firmly require text based equivalents to all information available via the graphical user interface (GUI).

Thank you for this opportunity to present. Please contact me if I may be of further assistance.