

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:00 a.m. on February 14, 2001 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research Department  
Robert Nugent, Revisor of Statutes  
Lea Gerard, Secretary

Conferees appearing before the committee: Doug VanderLinden, Director of Educational  
Technology, Burlington USD #244  
Tom Gleason, Lobbyist Gleason & Doty, Chartered

Others attending: See Attached List

Doug VanderLinden, Director of Education Technology, Burlington USD #244, gave an overview of the Coffey County Area Network (Attachment 1).

Mr. VanderLinden responded to questions from Senator Kerr concerning content possibilities, content governance and who should be deciding what the content availability is for schools. He stated there are a variety of different content ideas such as interactive distance. For example, they have taken their students on electronic field trips to NASA and the Garden City Zoo. Mr. VanderLinden stated from the standpoint of governance, he believes in bringing all the players together to represent education along with the library and hospital members. There needs to be representation across the board to determine the level of content.

Tom Gleason, Lobbyist for Gleason & Doty, Chartered submitted testimony in support of **SB 48** on behalf of Jim Dahmen, General Manager of Columbus Telephone Company in Columbus, Kansas and Kendall S. Mikesell, Chairman of the Rural Telephone Company State Affairs Committee (Attachment 2).

In response to a question from the Committee, Susan Mahoney, Liaison to the Governor, clarified that Governor Graves' intent for the \$500,000 would allow the end users and the industry to come together, gather information and perform a study in order to build the infrastructure and design the network.

Senator Kerr stated that \$500,000 is in the education budget and the education subcommittee has met and drafted recommendations of plan of action and design.

Bob Nugent, Revisor went over the changes made to **SB 48**.

- change the governance, Page 1, Line 16, the KAN-ED Board becomes an advisory board.
- Page 1, Line 39 replace language to read "The information technology executive council, by and through the chief information technology architect shall" and strike *The purpose of KAN-ED shall be.*

The KAN-ED agency would no longer exist and would be replaced by ITEC who would be the authority to oversee the creation of the network and would be charged with the responsibility of entering into contracts.

- Page 2, Section 4 (a) the KAN-ED board no longer governs the KAN-ED network but has hereby created a KAN-ED advisory board. The board shall advise ITEC on technical content and policy issues to ensure that the KAN-ED network benefits from a broad spectrum of expertise and experience.
- Two changes made to the make-up of the board. First one deals with representatives from the industry. One member shall represent a small telecommunications provider and one member will represent a large telecommunications service provider.
- Page 2, Line 19, (4) (7) shall be changed to three residents.
- Page 3, Line 5 (b) the board shall report any recommendations to ITEC on a quarterly basis.

- Page 3, Line 9, Section 6 (a) Language change regarding ethics and competitive bidding law.
- Page 4, Line 19 after "duties" insert Language requiring DISC to provide staffing and resources necessary for the KAN-ED network.
- Page 5, Line 39, insert requirement that ITEC submit growth, maintenance and subsistence level budget request.
- Throughout the bill, references to "the board" were changed to ITEC.

The Committee proceeded to work the bill, beginning with the proposed amendments on Page 1:

Senator Jenkins moved, seconded by Senator Jordan, that SB 48 be amended on Page 1, Section C (4) Line 23 thru Line 25 strike that wording and to make the changes the House Bill made after Line 33 add "*Kansas educational institution, as defined in K.S.A. 2000 Supp. 74-32,120*". The voice vote was in favor of the motion.

Senator Kerr moved, seconded by Senator Wagle that SB 48 be amended on Page 1, Line 16 to add the word *Advisory* after KAN-ED. The voice vote was in favor of the motion.

Senator Brungardt moved, seconded by Senator Wagle that SB 48 be amended on Page 1, Line 34, Section 3 (a) striking that section and replacing it with a balloon amendment starting with Line 39 and strike the working "The Purpose of KAN-ED shall be to and replace with "*The information technology executive council, by and through the chief information technology architect shall*". The voice vote was in favor of the motion.

Senator Emler moved, seconded by Senator Steineger that SB 48, Page 2, Line 2, Section C the work KAN-ED be stricken and replaced with "*The network*". The voice vote was in favor of the motion.

Senator Kerr moved, seconded by Senator Jordan that SB 48, Page 2, Line 8, Section 4 (a) KAN-ED shall be governed by the KAN-ED board and replaced with "*There is hereby established the KAN-ED advisory board. The board shall advise ITEC and DISC on technical, content and policy issues to ensure that the KAN-ED network benefits from a broad spectrum of experience and expertise*". The voice vote was in favor of the motion.

Senator Emler moved, seconded by Senator Brungardt that SB 48, will be amended on Page 2, Line 17 to read "*communications industries: one member shall represent a small telecommunications service provider and one member shall represent a large telecommunications service provider*". The voice vote was in favor of the motion.

Senator Emler moved, seconded by Senator Steineger that SB 48, will be amended on Page 2, Line 19 (7) to read *three residents*. The voice vote was in favor of the motion.

Senator Jenkins moved, seconded by Senator Kerr that SB 48, will be amended on Page 3, Line 5 by adding "*The board shall report any recommendations to ITEC on a quarterly basis.*" And Line 9, by adding (d) "*If any member of the board is employed by or holds a substantial interest in a company which may bid on a portion of the network...*".

Senator Kerr moved, seconded by Senator Wagle that SB 48 be amended by changing "*The board*" to "*ITEC*" starting on Page 3, Line 9, Section 6 (a) and starting with Line 21 through Line 27 striking and making this change for the remainder of the bill where "*The board*" appears.

Senator Kerr moved, seconded by Senator Wagle that Page 4, Line 19 be amended to read "*The division of systems and communications shall provide such staff and other resources as may be necessary to effectuate the purposes of this act.*" The voice vote was in favor of the motion.

The Committee meeting adjourned at 9:30 a.m.

The next meeting is scheduled for February 15, 2001 at 8:30 a.m.

SENATE COMMERCE COMMITTEE

GUEST LIST

DATE: FEBRUARY 14, 2001

NAME	REPRESENTING
Rob Hodges	KTIA
Tom Gleason	Independent Telecom Group
Bill Sneed	SW Bell
Andy Shaw	ALTEL
John Pinegar	SITA
Jacque Oakes	SQE
Mike Huttles	K's Library Itssoc.
Doug Vanderlinden	USD #244
Susan Pearson	USD #244
Roger Traut	KCE

Doug Vander Linden  
Director of Educational Technology, Burlington USD #244  
Project Director, Coffey County Area Network  
Co-Founder & Board Member, Kansas Technology Coordinators Network

## Summary of Senate Commerce Committee Testimony February 8, 2001

### I. **Overview of the Coffey County Area Network**

The Coffey County Area Network consists of over 65 miles of fiber optic cable and communications electronics located in the 6 communities (Lebo, Waverly, New Strawn, Burlington, LeRoy, and Gridley) in our county. We use a combination of networking standards: ATM, FDDI, FastEthernet, Ethernet, and Wireless to provide interactive distance education, data networking, and Internet services to 6 major players: USD #243, USD #244, USD #245, the 6-branch county library system, the county health care system, and the county courthouse and its agencies. There are a total of 26 individual buildings that are connected and part of our wide area network. The network is an interesting mesh of networking standards with a consistent backbone standard that ties all the entities together.

### II. **Frustrations in Developing Our Network**

Our district spent over eight years working with Sprint, TeleSystems (a distance learning consultant), and the Southeast Kansas Education Service Center in trying to develop a "firm" proposal for our county network. In talking to other districts across Kansas a vast majority experience the same frustration. Most simply give up because of a lack of time, a lack of technical expertise, a lack of funds, or a lack of commitment from the vendor.

### III. **Need for a Standards-Based Network**

In order for a network of any size to be successful, technology/networking standards must be established. These standards become the building blocks for the growth of the network and the determinant for the programs and services that will be offered. We are standing at a critical juncture where regional networks are being discussed that could utilize standards that might prevent future connectivity.

### IV. **Need for Seamless Network Monitoring and Management**

From our experience interconnecting a Sprint Network to a SW Bell network, there are problems and issues that exist when there is not a single point of network monitoring and management. These issues can lead to an interruption of programs and services, and problems related to a lack of knowledge between the vendors to the other vendor's network configurations.

### V. **Need for a Board of Control**

An interagency network requires a governing board comprised of decision-makers from each of the entities involved. Our Fiber Optic Board of Control is made up of a representative of each of the six entities and an at-large member appointed by the six. The purpose of the board is to maintain the technology standards, programs, growth plans, and operational issues regarding the network. From my perspective, the KAN-ED Board established in Section 3 with the duties outlined in Section 6 is appropriate and important to the success of the network.

### VI. **Program Opportunities**

KAN-ED, if developed to its fullest potential, can provide advanced network services at equitable levels regardless of geographic location. With ties to schools, libraries and hospitals, Kansas has the opportunity to be a leader in state-wide networking. By serving the networking needs of each of these entities, the impact of KAN-ED will be felt by a large percentage of the Kansas population.

### VII. **Support from Various Organizations**

Coffey County Area Networks  
Mid-America Association for Computers in Education (MACE)  
Kansas Technology Coordinators Network

Senate Commerce Committee  
February 14, 2001  
Attachment 1-1

# Coffey County Fiber Optic Network Description

## February 2001

The Coffey County Area Network consists of over 65 miles of fiber optic cable and communications electronics located in the 6 communities (Lebo, Waverly, New Strawn, Burlington, LeRoy, and Gridley) in our county. We use a combination of networking standards: ATM, FDDI, FastEthernet, Ethernet, and Wireless to provide interactive distance education, data networking, and Internet services to 6 major players: USD #243, USD #244, USD #245, the 6-branch county library system, the county health care system, and the county courthouse and its agencies. There are a total of 26 individual buildings that are connected and part of our wide area network. The network is really an interesting mesh of networking standards with a consistent backbone standard that ties all the entities together.

In addition, there are two connect points that tie our network to the outside world. The first is our compressed video connection to the state's DISC system. This connection operates off a single point-to-point T-1 line. This T-1 line connects our CODEC to the DISC Network in Topeka. We can use it for point-to-point video conferencing and distance education. Coffey Health System is also in a grant program with the University of Kansas Medical Center to use this connection for TeleMedicine activities.

Our second connect point is a "network interconnect" between the Coffey County Network and the South-Western Bell Network in Southeast Kansas. This provides our network with full ATM to ATM connectivity allowing us full-motion distance education opportunities our distance learning classrooms and any other distance education point on the SWBell network. A significant provider of services via the SWBell connection has been the Southeast Kansas Education Service Center at Greenbush.

A variety of programs and services have been made available to our students, teachers, library patrons, county employees, and community members over the past three years. These include:

- Interactive Distance Learning Classes between Lebo, Waverly and Burlington.
- Dual Credit Classes between county schools and Allen County Community College.
- Continuing Education classes for adult learners in the county and surrounding areas.
- College Courses for teacher training through Emporia State University.
- Electronic Field Trips for elementary age students during and after school hours.
- High Speed Internet Access (3.0 megabits) to all computers on the network.
- Filtered Web Access on an entity-by-entity basis based on IP addressing.
- Internet Web Servers for the Courthouse, USD #243, USD #244, Library System, and County Health System.
- Electronic Mail Servers for the Courthouse and USD #244 providing content-managed electronic mail accounts for employees, teachers and students.

- Physician Access System for the County Health System.
- Library Patron Web-based Card Catalog.
- More programs and services are being added on a monthly basis.

Our two T-1 connections for Internet access are located at our county courthouse. We feed it from our SprintLink POP to a Cisco Router. The Router is then tied directly into the first ethernet card in the NT Server that is our firewall. We then have a DMZ setup on a 2nd ethernet card in the firewall. That is where we will be installing our web server, e-mail server, e-commerce server, and other outside world access products. The 3rd ethernet card is then attached to a Cisco 4000 router. The Cisco 4000 is the key meet point/headend for our county network. It is at this router that the ATM and the FDDI networks bridge.

This configuration allows all the county entities to share the T-1 line and stay behind the Raptor Firewall. We configure the firewall by "Net Entities" which is one of these terms that allow us to set different access privileges, filtering requirements, and web services based on the IP subnet. Our IP numbers are all RFC #1579 compliant which provides an extra level of protection from someone trying to telenet in from the outside world to the DMZ and then try to pass through to a station inside our network. We use 10.##.##.## and 192.168.##.## as they are the numbers set forth in RFC #1579.

Testimony of Jim Dahmen on Behalf of  
the Rural Telephone Companies of Kansas  
Before the Senate Commerce Committee  
February 14, 2001  
Supporting Senate Bill 48/House Bill 2035

Madame Chair and members of the Committee:

My name is Jim Dahmen. I am the general manager of Columbus Telephone Company in Columbus, Kansas. I also serve as the current Chairman of the Board of KTEC, the Kansas Technology Enterprise Corporation, which has expressed its support for the Kan-Ed project. I welcome this opportunity to appear and to present the support of more than thirty Kansas rural telephone companies for House Bill 2305 as passed by an overwhelming majority in that body.

This bill is the product of input from teachers, librarians, legislators, service providers and government officials at state and local levels. It represents consideration of similar activities in other states, while enabling a solution right for the needs of our state. The Kan-Ed project envisioned by this bill will create opportunities for Kansans to participate fully in a world constantly becoming more interconnected. Through this project more Kansans will have the most cost-effective access to increased educational opportunities. Present and future Kansas employers will gain access to the benefits of a better-educated workforce, in turn enhancing local and state economies.

Although the bill and the proposed project directly target education it is clear Kan-Ed will have significant economic development effects. Rural ability to attract and retain both businesses and residents will be affected by educational quality; Kan-Ed will, for example, enable course offerings smaller districts could not afford individually. In conjunction with other state economic development efforts funded at effective levels Kan-Ed investment can pay especially large dividends in our

Senate Commerce Committee  
February 14, 2001  
Attachment 2-1

smaller communities, while allowing educational institutions in our larger cities to more effectively execute outreach programs.

The bill before you is well designed to accomplish its purpose. Just as importantly, perhaps, it avoids pitfalls which could put the pursuit of educational goals at odds with other important considerations:

- The clear direction for private sector provision of necessary facilities will – and should – preclude any possibility of a State created and sponsored competitive telecommunications enterprise. In fact much of the needed capacity is already available, requiring little more than coordination among providers. Cable companies as well as large and small local and long distance telephone companies have the capability and the experience to meet the need. The benefits of competition will be available to Kan-Ed so long as the competition is among private sector providers, not competition with the state itself. Reserving the network for its intended uses, as opposed to merely providing cheaper school communications, will avoid shifting costs to other ratepayers as a hidden tax.

- The inclusion of educational uses is needed to bring earlier deployment of broadband communications services to smaller communities. If Kan-Ed were to employ facilities separate from those of the private sector the availability of broadband for general and business uses would be delayed or precluded.

- The creation of a public-private partnership holds the greatest promise for system design, implementation and operation which is both responsive to the changing needs of the public and open to the broadest range of provider participation. One size will not fit all, nor will today's design be likely to meet tomorrow's needs, but it is a beginning.



House Bill 2035 is substantially identical to Senate Bill 48, with the exception of a House amendment extending the benefit of Kan-Ed to accredited Kansas private colleges and universities in the version passed by that body by a vote of 114 to 8. Whether it is your pleasure to advance the House legislation or the Senate version we urge your prompt action. There is much information to be gathered and incorporated into network design before implementation can begin. If the ambitious schedule proposed for Kan-Ed services is to be met your approval and advancement of legislation is needed as soon as possible.

Educational opportunities and economic development can and should go hand in hand. If Kansas does not act promptly to enhance connectivity among our institutions of learning, our students will rapidly lose ground to their peers in other states. Kan-Ed, as proposed, will rapidly become a central component of statewide educational opportunity, leading directly to an improved quality of life for all our state's citizens.

Ladies and gentlemen, I will attempt to answer any questions you may have.

Thank you.

## Testimony

### Senate Bill No. 48 and House Bill No. 2035

#### Senate Commerce Committee

February 14, 2001

Chairperson Brownlee and Members of the Senate Commerce Committee:

Thank you for the opportunity to appear today and offer input on Senate Bill No. 48 and House Bill No. 2035. I am Kendall S. Mikesell, Chairman of the Rural Telephone Company State Affairs Committee. The 36 rural telephone companies of Kansas have been supportive of the concept of KAN-ED since its initial development. We have been consistent with our concerns that the following policy issues be addressed in any version of KAN-ED legislation.

- \* The state should not compete with the private sector in the provision of communications services.
- \* If the state implements the KAN-ED network, it should not build its own facilities; rather, it should use private sector facilities based providers for the provision of a backbone network, and private sector providers for the services provided over that network.
- \* Services provided over the KAN-ED network should be clearly and narrowly defined, and periodically revisited, to avoid unforeseen or unintended competition with the private sector.
- \* The KAN-ED bid process should encourage the utilization of existing network facility deployments by multiple private sector facilities based providers; it should be technology and competitively neutral; and it should not advantage large businesses over small businesses, or consortiums of small businesses.
- \* The KAN-ED network should provide a cost effective solution for the state, while doing nothing to damage the preservation and advancement of universal service for all Kansans.

Thank you for your attention to our concerns.