

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on March 26, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Sherman Parks, Revisor of Statutes
Norman Furse, Revisor of Statutes
April Holman, Legislative Research
Debra Hollon, Legislative Research
Lea Gerard, Committee Secretary

Conferees appearing before the committee: Senator Steineger
Rick Worner, Fahnestock
Steve Graham, Titan Construction

Others attending: See attached list.

SB 649—An act concerning tax increment financing; relating to major tourism areas.

April, Holman, Legislative Research briefed the committee on **SB 649** stating it would allow for the extension of limited tax increment financing to an area in Wyandotte County that is contiguous to the current NASCAR redevelopment area. The tax increment financing would be limited to arts, entertainment or recreation facilities. Some of the provisions in the bill are capital improvements costing at least \$50M in the state and would create at least 500 permanent and seasonal employment positions.

Senator Steineger, District 6, testified in support of **SB 649** and presented some balloon amendments. The balloon amendments cover the following three proposed sites: Zone A, adjacent to the NASCAR development area; Zone B, Indian Springs Mall; and Zone C, far eastern Wyandotte County consisting of about 10 acres. The intent of the bill is that property taxes cannot be abated or used to pay off the bonds. The balloon amendment also addresses that STAR bonds could not be used to finance casinos, gambling industries and casino hotels.

Senator Barone asked absent this legislation does the county have the authority to grant tax abatement on this property for development? Senator Steineger stated they have the authority to do Tax Increment Financing which involves property taxes.

Chairperson Brownlee referred to Page 9 of **SB 649** and commented the bill states the project shall not receive any property tax abatement and does that mean the unified government cannot TIF the area. Senator Steineger stated that is correct. On the original 400 acres that has Cabellas and the Nebraska Furniture Mart it was drafted into legislation they could not use property tax revenue to pay off the bonds. The idea is that property tax would go to the city, county, school district and the state-wide mill levy would be collected from day one which is the same intent for Zones A, B and C.

Rick Worner, Fahnestock & Company, an investment banking firm out of Kansas City, testified in support of **SB 649** stating his company was fortunate in bringing Cabellas and the Nebraska Furniture Mart to Kansas and that STAR Bond legislation was a big drawing point. STAR Bond legislation is the most powerful economic development tool for the State of Kansas.

There being no further conferees wishing to testify on **SB 649**, the hearing was closed.

Chairperson Brownlee stated to committee members that they would work **SB 649** tomorrow and then asked Senator Steineger if he would consider limiting the bill to Zone A.

SB 614—Funding KAN-ED with KUSF.

Hal Gardner, Coordinator, Educational Technology, Kansas State Department of Education, testified in support of **SB 614** (Attachment 1). Some of the derived benefits from KAN-ED for teachers and students in the Kansas School districts will be teaming, collaboration, scientific modeling and course delivery.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE at on March 26, 2002 in Room 123-S of the Capitol.

There being no further conferees wishing to testify on **SB 649**, the hearing was closed.

Committee members were provided a copy of the Senate Substitute for **SB 614** that amends one section of statute 66-2010. This section would authorize KAN-ED funding which would go through the appropriation process. The Executive Director of the State Board of Regents would certify to the KUSF administrator the amount provided by the Legislature through the appropriations process. The percentage that is collected from phone bills for KUSF support is effective each year on March 1. If this is approved, the first submitted budget would cover the second half of the 2003 fiscal year and would cover the entire 2004 fiscal year for the amount submitted to the KUSF administrator.

Senator Jordan moved, seconded by Senator Emler to adopt the substitute bill for **SB 614**. Motion carried.

Senator Emler moved, seconded by Senator Jordan to move the substitute for **SB 614** out favorable for passage. Motion carried.

Janet Buchanan, KCC, presented Committee members with data regarding Broadband Deployment and Competition (Attachment 2). Ms. Buchanan also provided additional information per a request from the committee regarding rates in rural areas of the state during the hearing on **HB 2754** (Attachment 3).

Meeting adjourned at 9:30 a.m.

The next meeting is scheduled for Wednesday, March 27, 2002 at 8:30 a.m.

**SENATE COMMERCE COMMITTEE
GUEST LIST**

DATE: March 26, 2002

NAME	REPRESENTING
Hal Gardner	KSDE
JANET BUCHANAN	KCC
Nelson Krueger	Western Wireless
STEVE GRAHAM	TITAN CONSTRUCTION
RICK WORNER	Fahnestock
Jacques Dake	SQE
Dorric Johnson	Liberty
Leah Mathix	
Bill Speed	KSC
Mike Kuttles	Ks. Gov't. Consulting
EVA POWERS	KCC
ANNE TYMESON	KCC
TOM DAY	KCC
Kathy Walker	KCC Chamber
Doug Quinn	DISC
Tom Gleason	Independent Telecom Group
Doug Smith	State Independent Telephone Association
RICHARD VEACH	PIONEER COMMUNICATIONS
TOM DAY	KCC
Prody Deaton	Fudget
Stephanie Buchanan	DOB

Comments before the Senate Commerce Committee related to SB 614, KAN-ED.

Made by Hal Gardner
Coordinator, Educational Technology
Kansas State Department of Education

For over four years, the KSDE has been working to make KAN-ED happen. It is an equity issue. It is a deployment of resources issue. And, it is a money issue. Economies of scale that can be realized only with the implementation of the KAN-ED model.

KAN-ED is an essential condition for meaningful education in the 21st century - It is not optional. Children in school today will be working in jobs that do not currently exist. How are we preparing them for that 21st century future that is upon us today? Generally speaking, we aren't. Information Literacy skills can only be acquired by students with the technology elements - the foundation - in place. They must be a given. In order for students and teachers in all 304 Kansas districts to benefit from teaming, collaboration, scientific modeling, and even course delivery, there must first be in place a system - both a clearinghouse repository and a delivery capability. In KAN-ED, that begins to happen.

Two weeks ago, a group of us gathered in Kansas City at the Kauffman Foundation to bring about what is now called the *Midwest Partnership for Digital Development*. This group made up of Public Broadcasters from Illinois, Missouri, and Kansas along with State Education departments and many others - is setting about the task of digitizing their many media-rich resources. This won't be an isolated instance of such development.

Initiatives funded federally under what is known as Star Schools, are preparing to digitize their resources widely known for their effectiveness in classrooms all over America. Science, math, language arts and the fine arts along with a multitude of media-rich resources in the social studies have been developed over the years with a limited reception because of technological inequities among schools and school districts. KAN-ED closes the gap. Digital archiving and delivery is economical.

It will be the means by which all media will eventually be amassed and delivered to storage systems such as the hard drive on your computer. Students and teachers will then be able to draw upon the data as primary resources for research, background preparation, investigation, analysis, and ultimately, presentation to others locally, regionally, nationally, and throughout the globe. Distance learning as we now understand it, will be fundamentally changed. Classroom exchange - students and teachers talking with one another across distances will also be able to leverage media-rich material that will be embedded in lesson plans and student work. KAN-ED is the means for deployment not just in Kansas City or Wichita, but throughout the entire state.

KSDE through the annual technology leadership conference and their fall road shows throughout the state have been preparing schools for the advent of KAN-ED. They understand. They know too, that with the inclusion of libraries and hospitals along with the higher education community on the network, the horizons expand even further than we can now know. It is a brilliant future.

Senate Commerce Committee
March 26, 2002
Attachment 1-1



Kansas Corporation Commission

Bill Graves, Governor John Wine, Chair Cynthia L. Claus, Commissioner Brian J. Moline, Commissioner

March 6, 2002

Senate Commerce Committee Members
In care of Ms. Lea L. Gerard
Capitol Building
300 SW 10th, Room 136-N
Topeka, KS 66612

Dear Ms. Gerard:

The Senate Commerce Committee requested additional information from SWBT and the independent rural companies regarding their use of KUSF support. I have received additional information from SWBT. That information is attached. I am awaiting information from the independent rural companies. The receipt of that information has been delayed by unforeseen circumstances. I will forward the response from the independent rural companies as soon as possible.

Please call if you have additional questions regarding this issue. I can be reached at (785) 271-3293.

Sincerely,

A handwritten signature in cursive script that reads "Janet Buchanan".

Janet Buchanan
Chief of Telecommunications

cc: John Wine, Chair
 Cynthia Claus, Commissioner
 Brian Moline, Commissioner
 Jeff Wagaman, Executive Director
 Joe White, Director of Utilities

Senate Commerce Committee
March 26, 2002
Attachment 2-1



Eduardo Rodriguez
AVP-Regulatory
External Affairs-Kansas

Southwestern Bell
Telephone Company
220 E 6th, Room 500
Topeka, KS 66603

785.276.8761 Phone
785.276.1713 Fax

SB

March 20, 2002

Ms. Janet Buchanan
Chief of Telecommunications
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

Dear Janet,

My letter dated March 1, 2002 in response to a legislative inquiry about use of Kansas Universal Service Fund ("KUSF") funds received by SWBT, I stated that SWBT does not have an accounting record for dollars received from the KUSF that is separate from the accounting of dollars received from any other source. My conclusion is that no better evidence can be presented that the KUSF system is working as intended and that those funds are being utilized as intended, than the fact that SWBT continues to offer basic telephone service in those exchanges at a reasonable rate five years after establishment of the KUSF.

My understanding is that the Senate Commerce Committee would now like to know SWBT's annual investment in SWBT's Kansas network for the years 1997 - 2001. Below, please find the information requested:

Year	Investment Amount
1997	\$198 million
1998	\$194 million
1999	\$200 million
2000	\$285 million
2001	\$210 million

Please let me know, if you have any questions.

Sincerely,

STATE CORPORATION COMMISSION

MAR 21 2002

UTILITIES DIVISION



Kansas Corporation Commission

Bill Graves, Governor John Wine, Chair Cynthia L. Claus, Commissioner Brian J. Moline, Commissioner

Data Regarding Broadband Deployment and Competition

I. Broadband Deployment

General Information

% of Population using the Internet

Kansas 55%-61%

Nationwide 54%

Source: U.S. Department of Commerce, "A Nation Online: How Americans Are Expanding Their Use of the Internet," 2002, Table 1-1, page 10

Type of Access to Internet Utilized by Kansans

Dial – up 54%

Cable Modem 31%

DSL or ADSL 12%

Source: National Regulatory Research Institute and BIGresearch, "Internet Service Quality, Results of a Survey: Kansas," February 2002, page 2. 150 Kansans responded to the survey.

Type of Internet Access Service Kansans Would Consider Switching To

Cable Modem 33%

DSL or ADSL 25%

Wireless or Satellite 7%

Unsure 34%

Source: National Regulatory Research Institute and BIGresearch, "Internet Service Quality, Results of a Survey: Kansas," February 2002, page 20.

FCC Data

Number of Broadband Providers in Kansas – June 30, 2001

Coaxial Cable	6
Wireline or Wireless (other than ADSL)	10
ADSL	Number withheld to maintain confidentiality

Source: Industry Analysis Division of the Common Carrier Bureau, FCC, "High-Speed Services for Internet Access: Subscribership as of June 30, 2001," February 2002, Table 6.

Number of High-Speed Access Lines in Kansas

December 1999	June 2000	December 2000	June 2001
26, 179	42,679	68,743	101,734
	63% increase	61% increase	48% increase

Source: Industry Analysis Division of the Common Carrier Bureau, FCC, "High-Speed Services for Internet Access: Subscribership as of June 30, 2001," February 2002, Table 7.

Number of High-Speed Access Lines by Technology in Kansas– June 2001

Coaxial Cable	74,337
ADSL, DSL, or Wireless	27,397

Source: Industry Analysis Division of the Common Carrier Bureau, FCC, "High-Speed Services for Internet Access: Subscribership as of June 30, 2001," February 2002, Table 7.

High-Speed Access Lines by Customer Type in Kansas – June 2001

Residential and Small Business	96, 393
Large Business, Institutional	5,341

Source: Industry Analysis Division of the Common Carrier Bureau, FCC, "High-Speed Services for Internet Access: Subscribership as of June 30, 2001," February 2002, Table 8.

Ownership of DSL Lines – Nationally, June 2001

Incumbent LECs	97%
Competitive LECs	3%

Of those incumbent local exchange company DSL lines, 86% were reported by Regional Bell Operating Companies.

Source: FCC, News Release, "FCC Release Report on the Availability of High-Speed and Advanced Telecommunications Capability," February 7, 2002.

% of Zip Codes With "x" Number of High-Speed Access Providers – June 2001

	0	1-3	4	5	6	7 or more
Kansas	35%	52%	8%	4%	1%	0
Nationwide	22%	50%	8%	5%	4%	11%

Source: Industry Analysis Division of the Common Carrier Bureau, FCC, "High-Speed Services for Internet Access: Subscriberhip as of June 30, 2001," February 2002, Table 10.

KCC Data

Availability of High-Speed Access – Provided by SWBT

ISDN	100% of Customers
DSL	56% of Customers

Availability of High-Speed Access – Provided by Sprint/United

ISDN	100% of Customers
DSL	Not Yet Available – Planned Deployment in 2002

Availability of High-Speed Access – Provided by Independent Rural Companies

ISDN	Available to some but not all customers of Independent Rural Companies
DSL	55%

Number of DSL Lines in Service – 2001

SWBT	27,379
Sprint/United	0
Independent Rural Companies	2,057
Competitive Carriers	<u>9,878</u>
Total	39,313

Number of Cable Modem Lines in Service – 2001 -- 88,379

Total Number of High-Speed Access Lines in Service – 2001 – 127,693

Rates of Subscribership to High-Speed Internet Access Service

SWBT	1.22% to 8.69%
Sprint/United	5% (forecast)
Independent Rural Companies	1% to 25%
Competitive Providers	Not Available
Cable Companies	< 13%

II. Competition

FCC Data

Number of Access Lines in Kansas– June, 2001

Incumbent Providers	1,441,940
Competitive Providers	121,294

Source: Common Carrier Bureau of the FCC, "Local Telephone Competition: Status as of June 30, 2001," February 2002, Table 6.

% of Access Lines Served by Competitive Local Exchange Carriers

	December 1999	June 2000	December 2000	June 2001
Kansas	Not Available*	5%	7%	8%
Nationwide	4%	6%	8%	9%

* To maintain confidentiality, the FCC withheld this data.

Source: Common Carrier Bureau of the FCC, "Local Telephone Competition: Status as of June 30, 2001," February 2002, Table 7.

% of Zip Codes With "x" Number of Competitive Providers– June 2001

	0	1-3	4	5	6	7 or more
Kansas	64%	34%	2%	0	0	0
Nationwide	40%	34%	6%	4%	3%	12%

Source: Common Carrier Bureau of the FCC, "Local Telephone Competition: Status as of June 30, 2001," February 2002, Table 13.

Number of Wireless Customers in Kansas

December 1999	June 2000	December 2000	June 2001
669,472	724,024	801,293	901,225

Source: Common Carrier Bureau of the FCC, "Local Telephone Competition: Status as of June 30, 2001," February 2002, Table 10.

% of Access Lines Served by Competitive Providers Using Coaxial Cable -- 1% Nationally

% of Access Lines Served by a Competitive Provider Using Fixed Wireless -- < 1% Nationally

Source: Common Carrier Bureau of the FCC, "Local Telephone Competition: Status as of June 30, 2001," February 2002, page 2.

KCC Data

Number of Competitive Local Exchange Carriers Reporting Lines

2000	29
2001	34

Total Line Count

	1997	1998	1999	2000	2001
SWBT	1,299,259	1,393,261	1,430,332	1,389,742	1,231,828
CLECs	Not Available	75,636	105,995	154,484	138,844
CLEC %		5.15%	6.90%	10.00%	10.13%

Note CLEC = Competitive Local Exchange Carrier
SWBT Data is the publicly available ARMIS data for all years except 2001.

Business Line Count

	1997	1998	1999	2000	2001
SWBT	412,152	474,542	489,352	452,805	Confidential
CLECs	Not Available	41,145	72,032	117,676	**
CLEC%		7.99%	12.83%	20.63%	16.28%

Note CLEC = Competitive Local Exchange Carrier
SWBT Data is the publicly available ARMIS data for all years except 2001.

** Data omitted to preserve confidentiality of SWBT numbers

Residential Line Count

	1997	1998	1999	2000	2001
SWBT	887,966	919,246	940,980	936,937	Confidential
CLECs	Not Available	34,491	33,963	36,808	**
CLEC %		3.62%	3.48%	3.78%	6.75%

Note CLEC = Competitive Local Exchange Carrier

SWBT Data is the publicly available ARMIS data for all years except 2001.

** Data omitted to preserve confidentiality of SWBT numbers

CLEC Access Lines by End-user Type

	1998	1999	2000	2001
% Residential	45.60%	32.04%	23.83%	42.95%
% Business	54.40%	67.96%	76.17%	57.05%

Facilities Based Total Lines

	2000	2001
CLEC Lines	89,195	85,266
CLEC % of Total Lines	6.03%	6.47%
SWBT % of Total Lines	93.97%	93.53%

Facilities Based Business Lines

	2000	2001
CLEC Lines	82,271	57,063
CLEC % of Total Lines	15.38%	12.29%
SWBT % of Total Lines	84.62%	87.71%

Facilities Based Residential Lines

	2000	2001
CLEC Lines	6,924	28,203
CLEC % of Total Lines	0.73%	3.31%
SWBT % of Total Lines	99.27%	96.69%

Number of SWBT Exchanges with No Residential Access Lines Provided by a Facilities Based Competitor – 9**Number of SWBT Exchanges with No Business Access Lines Provided by a Facilities Based Competitor – 10**

Gross Intra-State Revenue

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Incumbents	\$805,663,912	\$828,006,938	\$886,230,084	\$847,572,117
CLECs	\$1,631,944	\$32,660,077	\$63,964,714	\$53,349,806
CLEC % of Total	0.20%	3.79%	6.73%	5.92%

Revenue Per Access Line

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Incumbents	\$509	\$509	\$522	\$511
CLECs	Not Available	\$432	\$603	\$365

Data Services
2000 Annual Report
(from Schedule 23)

Company Name	Provide ISDN	Available To % of Customers	Provide xDSL	Available To % of Customers	Capable of Providing Broadband to Schools and Libraries	Available to % of Exchanges
SWBT	Yes	100%	Yes	56%*	Yes	No Response
Sprint/United	Yes	100%	No		Yes	86%
Bluestem	Yes	100%	No		Yes	100%
Blue Valley	No		No		Yes	100%
Cass County	No		No		No	
Columbus	No		No		Yes	100%
Council Grove	No		No		Yes	100%
Craw-Kan	Yes	100%	Yes	< 1%	Yes	100%
Cunningham	No		No		No Response	
Elkhart	No		Yes	10%	Yes	100%
Golden Belt	No		No		Yes	No Response
Gorham	No		No		Yes	No Response
H & B Communications	No		Yes	100%	No	
Haviland	No		Yes	No Response	Yes	No Response
Home	No		No		Yes	20%
JBN	No		No		Yes	47%
KanOkla	Yes	No Response	Yes	70%	Yes	100%
LaHarpe	No		No		No	
Madison	No		No		No	
MoKan	No		No		Yes	100%
Moundridge	No		Yes	No Response	Yes	No Response
Mutual	No		No		No	
Peoples	No		No		No	
Pioneer	Yes	100%	Yes	100%	Yes	100%
Rainbow	No		No		No	
Rural	Yes	100%	Yes	100%	Yes	100%
S & A	No		No		Yes	100%
S & T	Yes	1%	No		Yes	100%
South Central	Yes	No Response	No		Yes	No Response
South Central of Kiowa	No		No		Yes	No Response
Southern Kansas	No		Yes	33%	Yes	100%
Sunflower	Yes	100%	Yes	30%	Yes	100%
Totah	No		No		Yes	100%
Tri County	Yes	No Response	No		Yes	No Response
Twin Valley	No		Yes	100%	Yes	100%
United Association	Yes	75%	Yes	75%	Yes	100%
Wamego	Yes	100%	Yes	100%	No Response	
Wheat State	No		No		Yes	No Response
Wilson	No		No		Yes	100%
Zenda	No		No		Yes	100%

* SWBT information provided in a letter to the Commission



Kansas Corporation Commission

Bill Graves, Governor John Wine, Chair Cynthia L. Claus, Commissioner Brian J. Moline, Commissioner

March 25, 2002

Senate Commerce Committee Members
In care of Ms. Lea L. Gerard
Capitol Building
300 SW 10th, Room 136-N
Topeka, KS 66612

Dear Ms. Gerard:

During the hearing on Substitute for House Bill No. 2754, the Committee requested additional information regarding rates in rural areas of the state. This letter serves as the Commission's response to this request.

Attached is the requested rate comparison. The attachment contains the name of each independent rural telephone company, the exchanges within each rural company's territory, the residential rate (including any charge for Touch Tone dialing), the rate SWBT charges in an exchange of comparable size, and the rate charged by Sprint/United in an exchange of similar size.

Rate increases for SWBT and Sprint/United were recently approved by the Commission in Docket Number 01-GIMT-082-GIT. The Commission approved a Stipulation and Agreement in which SWBT and Sprint/United agreed to make access charge reductions. To compensate the companies for revenue lost through the reduction in access charges, SWBT and Sprint/United were permitted to increase local rates. The Stipulation and Agreement states that Sprint/United and SWBT could not increase residential rates in rural areas consisting of less than 1,500 access lines to more than \$17.00 per month and rates in other areas to more than \$21.00 per month. The attachment reflects SWBT's rate increase as a result of this docket. Sprint/United will increase rates in June 2002, June 2003, and June 2004. In June of 2004, the residential rates of Sprint/United that are referenced in the attachment will be:

Current Sprint/United Rate	June 2004 Rate
\$10.75	\$16.75
\$11.25	\$18.00
\$12.75	\$16.75
\$13.70	\$18.00

Senate Commerce Committee
MARCH 26, 2002
Attachment 3.1

Rates in more urban areas served by SWBT and Sprint/United are:

SWBT

Towns of size similar to Abilene, Chanute, Fort Scott, Great Bend, Independence and Liberal (rate group 4) have a residential rate of \$15.70;

Towns of size similar to Desoto, Emporia, Hutchinson, Lawrence and Salina (rate group 5) have a residential rate of \$15.70;

Topeka and surrounding communities such as Carbondale, Auburn, Dover, Tecumseh and Maple Hill (rate group 6) have residential rates of either \$15.70 or \$16.45;

Wichita and surrounding communities such as Andover, Kechi, Goddard, Rose Hill, Valley Center and Whitewater (rate group 7) have residential rates of \$15.95, \$16.15 and \$16.70;

Shawnee, Lenexa, Bonner Springs, Olathe and Stanley have residential rates of \$16.45, \$16.75 and \$17.25.

Sprint/United

The towns of Bucyrus, Centropolis, Edgerton, Fontana, Gardner, Rossville, Silver Lake, Spring Hill, Wakefield and Wellsville have a residential rate of \$16.00;

Junction City and Milford have a residential rate of \$12.31.
(By June 2004, residential rates in these areas will be \$20.00.)

If you have any further questions, please do not hesitate to call me at (785) 271-3293.

Sincerely,



Janet Buchanan

Chief of Telecommunications.

cc: John Wine, Chair
Cynthia Claus, Commissioner
Brian Moline, Commissioner
Jeff Wagaman, Executive Director
Joe White, Director of Utilities

Company	Exchange	Residential Rate with Touchtone	Comparable SWBT Rate	Comparable Sprint/United Rate
BLUESTEM TELEPHONE CO.				
	CEDAR POINT	\$11.81	\$15.25	\$12.75
	SAFFORDVILLE	\$11.81	\$15.25	\$12.75
	AMERICUS	\$12.51	\$15.65	\$12.75
BLUE VALLEY TELEPHONE CO.				
	AXTELL	\$6.94	\$15.25	\$12.75
	BEATTIE	\$6.94	\$15.25	\$12.75
	CENTRALIA	\$6.94	\$15.25	\$12.75
	HOME	\$6.94	\$15.25	\$12.75
	LINN	\$6.94	\$15.25	\$12.75
	OKETO	\$6.94	\$15.25	\$12.75
	PALMER	\$6.94	\$15.25	\$12.75
	SUMMERFIELD	\$6.94	\$15.25	\$12.75
	VERMILLION	\$6.94	\$15.25	\$12.75
	WHEATON	\$6.94	\$15.25	\$12.75
CASS COUNTY TELEPHONE				
	CLEVELAND	\$6.94	\$15.25	\$12.75
	DREXEL	\$6.94	\$15.25	\$12.75
COLUMBUS TELEPHONE CO., INC.				
	COLUMBUS	\$6.50	\$15.70	\$13.70
COUNCIL GROVE TELEPHONE CO.				
	COUNCIL GROVE	\$9.44	\$15.70	\$13.70
CRAW-KAN TELEPHONE COOP., INC.				
	ARCADIA	\$7.50	\$15.25	\$12.75
	ARMA	\$7.50	\$15.65	\$12.75
	BARTLETT	\$7.50	\$15.25	\$12.75
	BRAZILTON	\$7.50	\$15.25	\$12.75
	BRONSON	\$7.50	\$15.25	\$12.75
	CHEROKEE	\$7.50	\$15.65	\$12.75
	COLONY	\$7.50	\$15.25	\$12.75
	COLUMBUS RURAL	\$7.50	\$15.65	\$12.75
	CRESTLINE	\$7.50	\$15.25	\$12.75
	DEVON	\$7.50	\$15.25	\$12.75
	EDNA	\$7.50	\$15.65	\$12.75
	FARLINGTON	\$7.50	\$15.25	\$12.75
	FULTON	\$7.50	\$15.25	\$12.75
	GALESBURG	\$7.50	\$15.25	\$12.75
	GIRARD	\$7.50	\$15.65	\$13.70
	HALLOWELL	\$7.50	\$15.25	\$12.75
	HEPLER	\$7.50	\$15.25	\$12.75
	HIATTVILLE	\$7.50	\$15.25	\$12.75
	LAWTON	\$7.50	\$15.25	\$12.75
	MCCUNE	\$7.50	\$15.65	\$12.75
	MULBERRY	\$7.50	\$15.25	\$12.75
	PLEASANTON	\$7.50	\$15.65	\$12.75
	PRESCOTT	\$7.50	\$15.25	\$12.75
	SAVONBURG	\$7.50	\$15.65	\$12.75
	UNIONTOWN	\$7.50	\$15.65	\$12.75

Company	Exchange	Residential Rate with Touchtone	Comparable SWBT Rate	Comparable Sprint/United Rate
CRAW-KAN TELEPHONE COOP., INC.	WALNUT	\$7.50	\$15.25	\$12.75
	WEIR CITY	\$7.50	\$15.65	\$12.75
	WEST MINERAL	\$7.50	\$15.25	\$12.75
CUNNINGHAM TELEPHONE CO., INC	CAWKER CITY	\$7.25	\$15.25	\$10.75
	FORMOSO	\$7.25	\$15.25	\$10.75
	GLEN ELDER	\$7.25	\$15.25	\$10.75
	JAMESTOWN	\$7.25	\$15.25	\$10.75
	RANDALL	\$7.25	\$15.25	\$10.75
	SIMPSON	\$7.25	\$15.25	\$10.75
ELKHART TELEPHONE CO., INC.	ELKHART	\$13.60	\$15.65	\$13.70
GOLDEN BELT TELEPHONE ASSN.	ALBERT	\$7.40	\$15.25	\$12.75
	ALEXANDER	\$7.40	\$15.25	\$12.75
	BAZINE	\$7.40	\$15.25	\$12.75
	BEELER	\$7.40	\$15.25	\$12.75
	BISON	\$7.40	\$15.25	\$12.75
	BROWNELL	\$7.40	\$15.25	\$12.75
	BURDETT	\$7.40	\$15.25	\$12.75
	ELLIS	\$7.40	\$15.65	\$12.75
	GARFIELD	\$7.40	\$15.25	\$12.75
	LEWIS	\$7.40	\$15.25	\$12.75
	MCCRACKEN	\$7.40	\$15.25	\$12.75
	NEKOMA	\$7.40	\$15.25	\$12.75
	NESS CITY	\$9.55	\$15.65	\$12.75
	OTIS	\$7.40	\$15.25	\$12.75
	RANSOM	\$7.40	\$15.25	\$12.75
	ROZEL	\$7.40	\$15.25	\$12.75
	RUSH CENTER	\$7.40	\$15.25	\$12.75
	TIMKEN	\$7.40	\$15.25	\$12.75
	UTICA	\$7.40	\$15.25	\$12.75
GORHAM TELEPHONE CO., INC.	GORHAM	\$8.94	\$15.25	\$10.75
	WALDO	\$8.94	\$15.25	\$10.75
HAVILAND TELEPHONE CO., INC.	ARGONIA	\$11.45	\$15.65	\$12.75
	COATS	\$11.45	\$15.25	\$12.75
	CONWAY SPRINGS	\$11.45	\$15.65	\$12.75
	CULLISON	\$11.45	\$15.25	\$12.75
	HAVILAND	\$11.45	\$15.25	\$12.75
	ISABEL	\$11.45	\$15.25	\$12.75
	MULLINVILLE	\$11.45	\$15.25	\$12.75
	NASHVILLE	\$11.45	\$15.25	\$12.75
	NORWICH	\$11.45	\$15.65	\$12.75
	RIVERDALE	\$11.45	\$15.25	\$12.75
	SAWYER	\$11.45	\$15.25	\$12.75

Company	Exchange	Residential Rate with Touchtone	Comparable SWBT Rate	Comparable Sprint/United Rate
HAVILAND TELEPHONE CO., INC.	WILMORE	\$11.45	\$15.25	\$12.75
H&B COMMUNICATIONS, INC.	BUSHTON	\$8.05	\$15.25	\$12.75
	DORRANCE	\$8.05	\$15.25	\$12.75
	HOLYROOD	\$8.05	\$15.25	\$12.75
HOME TELEPHONE CO. INC.	ASSARIA	\$7.62	\$15.65	\$12.75
	GALVA	\$10.72	\$15.65	\$12.75
	GENESE0	\$10.72	\$15.25	\$12.75
	ROXBURY	\$10.72	\$15.25	\$12.75
	SALEMSBORG	\$10.72	\$15.25	\$12.75
JBN TELEPHONE COMPANY, INC.	AGENDA	\$12.17	\$15.25	\$10.75
	BARNES	\$12.24	\$15.25	\$10.75
	CORNING	\$12.17	\$15.25	\$10.75
	CUBA	\$12.24	\$15.25	\$10.75
	FAIRVIEW	\$12.24	\$15.25	\$10.75
	GOFF	\$12.17	\$15.25	\$10.75
	HADDAM	\$12.24	\$15.25	\$10.75
	HAVENSVILLE	\$12.17	\$15.25	\$10.75
	MAHASKA	\$12.17	\$15.25	\$10.75
	MORROWVILLE	\$12.24	\$15.25	\$10.75
	MUNDEN	\$12.24	\$15.25	\$10.75
	NARKA	\$12.24	\$15.25	\$10.75
	NETAWAKA	\$12.17	\$15.25	\$10.75
	SOLDIER	\$12.17	\$15.25	\$10.75
	WETMORE	\$12.24	\$15.25	\$10.75
KANOKLA TELEPHONE ASSN., INC.	BLUFF CITY	\$8.69	\$15.25	\$12.75
	CALDWELL	\$9.95	\$15.65	\$12.75
	CORBIN	\$9.00	\$15.25	\$12.75
	FREEP0RT	\$8.69	\$15.25	\$12.75
	GUEDA SPRINGS	\$8.69	\$15.25	\$12.75
	HARDTNER	\$9.00	\$15.25	\$12.75
	MAYFIELD	\$8.69	\$15.25	\$12.75
	NORTH MANCHESTER	\$8.69	\$15.25	\$12.75
	SOUTH HAVEN	\$9.50	\$15.25	\$12.75
	WALDRON	\$8.69	\$15.25	\$12.75
LA HARPE TELEPHONE CO., INC.	LA HARPE	\$7.94	\$15.25	\$12.75
MADISON TELEPHONE CO., INC.	LAMONT/MADISON	\$9.10	\$15.25	\$12.75
	MADISON	\$9.10	\$15.65	\$12.75
MOKAN DIAL, INC.	HILLSDALE	\$7.59	\$15.25	\$12.75

Company	Exchange	Residential Rate with Touchtone	Comparable SWBT Rate	Comparable Sprint/United Rate
MOKAN DIAL, INC.	LOUISBURG	\$7.59	\$15.70	\$13.70
	RANTOUL	\$7.59	\$15.25	\$12.75
MOUNDRIDGE TELEPHONE CO., INC.	GOESSEL	\$7.20	\$15.65	\$12.75
	MOUNDRIDGE	\$7.20	\$15.70	\$13.70
MUTUAL TELEPHONE COMPANY	LITTLE RIVER	\$11.50	\$15.25	\$12.75
PEOPLES TELECOMMUNICATIONS, INC.	LA CYGNE	\$9.90	\$15.65	\$13.70
PIONEER COMMUNICATIONS	BIG BOW	\$6.94	\$15.25	\$12.75
	COOLIDGE	\$6.94	\$15.25	\$12.75
	DEERFIELD	\$6.94	\$15.65	\$12.75
	HUGOTON	\$6.94	\$15.70	\$13.70
	JOHNSON	\$6.94	\$15.65	\$12.75
	KENDALL	\$6.94	\$15.25	\$12.75
	LAKIN	\$6.94	\$15.70	\$13.70
	MANTER	\$6.94	\$15.25	\$12.75
	MOSCOW	\$6.94	\$15.25	\$12.75
	RICHFIELD	\$6.94	\$15.25	\$12.75
	ROLLA	\$6.94	\$15.65	\$12.75
	RYUS	\$6.94	\$15.25	\$12.75
	SATANTA	\$6.94	\$15.65	\$12.75
	SYRACUSE	\$6.94	\$15.65	\$13.70
	ULYSSES	\$6.94	\$15.70	\$13.70
RAINBOW TELEPHONE COOP. ASSN., INC.	BENDENA	\$8.45	\$15.25	\$12.75
	DENTON	\$8.45	\$15.25	\$12.75
	EVEREST	\$8.75	\$15.25	\$12.75
	HURON	\$8.25	\$15.25	\$12.75
	MUSCOTAH	\$8.25	\$15.25	\$12.75
	ROBINSON	\$9.05	\$15.25	\$12.75
	WHITING	\$8.25	\$15.25	\$12.75
	WILLIS	\$9.05	\$15.25	\$12.75
RURAL TELEPHONE SERVICE CO., INC.	AGRA	\$6.95	\$15.25	\$10.75
	ALTON	\$6.95	\$15.25	\$10.75
	ATHOL	\$6.95	\$15.25	\$10.75
	COLLYER	\$6.95	\$15.25	\$10.75
	DAMAR	\$6.95	\$15.25	\$10.75
	EDMOND	\$6.95	\$15.25	\$10.75
	GALATIA	\$6.95	\$15.25	\$10.75
	GAYLORD	\$6.95	\$15.25	\$10.75
	GOVE	\$6.95	\$15.25	\$10.75
	GRAINFIELD	\$6.95	\$15.25	\$10.75
	HILL CITY	\$6.95	\$15.65	\$11.25

Company	Exchange	Residential Rate with Touchtone	Comparable SWBT Rate	Comparable Sprint/United Rate
RURAL TELEPHONE SERVICE CO., INC.				
	JENNINGS	\$6.95	\$15.25	\$10.75
	KENSINGTON	\$6.95	\$15.25	\$10.75
	LENORA	\$6.95	\$15.25	\$10.75
	LOGAN	\$6.95	\$15.65	\$10.75
	LONG ISLAND	\$6.95	\$15.25	\$10.75
	MORLAND	\$6.95	\$15.25	\$10.75
	NATOMA	\$6.95	\$15.25	\$10.75
	OLMITZ	\$6.95	\$15.25	\$10.75
	PALCO	\$6.95	\$15.25	\$10.75
	PRAIRIE VIEW	\$6.95	\$15.25	\$10.75
	QUINTER	\$6.95	\$15.65	\$10.75
	REXFORD	\$6.95	\$15.25	\$10.75
	SELDEN	\$6.95	\$15.25	\$10.75
	VICTORIA	\$6.95	\$15.65	\$10.75
	WAKEENEY	\$6.95	\$15.70	\$11.25
	WOODRUFF	\$6.95	\$15.25	\$10.75
	WOODSTON	\$6.95	\$15.25	\$10.75
	ZURICH	\$6.95	\$15.25	\$10.75
S&T TELEPHONE COOP. ASSN., INC				
	BREWSTER	\$11.60	\$15.25	\$12.75
	DIGHTON	\$7.79	\$15.65	\$12.75
	GRINNELL	\$11.60	\$15.25	\$12.75
	HEALY	\$11.60	\$15.25	\$12.75
	KANORADO	\$11.60	\$15.25	\$12.75
	LEVANT	\$11.60	\$15.25	\$12.75
	MENLO	\$11.60	\$15.25	\$12.75
	RUSSELL SPRINGS	\$11.60	\$15.25	\$12.75
	WINONA	\$11.60	\$15.25	\$12.75
S&A TELEPHONE COMPANY				
	ALLEN	\$7.84	\$15.25	\$12.75
	SCRANTON	\$9.85	\$15.65	\$12.75
SOUTH CENTRAL TELEPHONE ASSN., INC.				
	HAZELTON	\$6.94	\$15.25	\$12.75
	IUKA	\$6.94	\$15.25	\$12.75
	LAKE CITY	\$6.94	\$15.25	\$12.75
	SHARON	\$6.94	\$15.25	\$12.75
	SUN CITY	\$6.94	\$15.25	\$12.75
	TURON	\$6.94	\$15.25	\$12.75
SOUTH CENTRAL - KIOWA				
	KIOWA	\$13.03	\$15.65	\$12.75
SOUTHERN KANSAS TELEPHONE CO., INC.				
	ATLANTA	\$8.44	\$15.25	\$12.75
	BEAUMONT	\$8.44	\$15.25	\$12.75
	BURDEN	\$8.44	\$15.25	\$12.75
	CAMBRIDGE	\$8.44	\$15.25	\$12.75
	CLEARWATER	\$8.44	\$15.70	\$13.70
	CLEARWATER NORTH	\$8.44	\$15.65	\$12.75

Company	Exchange	Residential Rate with Touchtone	Comparable SWBT Rate	Comparable Sprint/United Rate
SOUTHERN KANSAS TELEPHONE CO., INC.				
	DEXTER	\$8.44	\$15.25	\$12.75
	ELK FALLS	\$8.44	\$15.25	\$12.75
	GRENOLA	\$8.44	\$15.25	\$12.75
	LATHAM	\$8.44	\$15.25	\$12.75
	LONGTON	\$8.44	\$15.25	\$12.75
	PIEDMONT	\$8.44	\$15.25	\$12.75
	REECE	\$8.44	\$15.25	\$12.75
	ROSALIA	\$8.44	\$15.25	\$12.75
SUNFLOWER TELEPHONE CO., INC.				
	JETMORE	\$7.30	\$15.65	\$12.75
	LEOTI	\$6.94	\$15.65	\$13.70
	SHARON SPRINGS	\$6.94	\$15.65	\$12.75
	TRIBUNE	\$6.94	\$15.65	\$12.75
	WALLACE	\$6.94	\$15.25	\$12.75
	WESKAN	\$6.94	\$15.25	\$12.75
	MARIENTHAL	\$6.94	\$15.25	\$12.75
TOTAH TELEPHONE CO., INC.				
	ELGIN	\$8.50	\$15.25	\$12.75
	ELK CITY	\$8.50	\$15.25	\$12.75
	HAVANA	\$8.50	\$15.25	\$12.75
	HEWINS	\$8.50	\$15.25	\$12.75
	LIBERTY	\$8.50	\$15.25	\$12.75
	TYRO	\$8.50	\$15.65	\$12.75
TRI-COUNTY TELEPHONE ASSN., INC.				
	BUCKEYE	\$7.40	\$15.25	\$12.75
	CARLTON	\$7.40	\$15.25	\$12.75
	DELAVAN	\$7.15	\$15.25	\$12.75
	DUNLAP	\$7.15	\$15.25	\$12.75
	DWIGHT	\$7.15	\$15.25	\$12.75
	HOPE	\$7.15	\$15.25	\$12.75
	LINCOLNVILLE	\$6.90	\$15.25	\$12.75
	LOST SPRINGS	\$7.15	\$15.25	\$12.75
	NAVARRE	\$7.40	\$15.25	\$12.75
	RAMONA	\$7.15	\$15.25	\$12.75
	WHITE CITY	\$7.15	\$15.65	\$12.75
	WILSEY	\$7.15	\$15.25	\$12.75
	WOODBINE	\$7.15	\$15.25	\$12.75
TWIN VALLEY TELEPHONE, INC.				
	BARNARD	\$7.85	\$15.25	\$10.75
	BENNINGTON	\$7.85	\$15.65	\$10.75
	BEVERLY	\$7.85	\$15.25	\$10.75
	GREENLEAF	\$7.85	\$15.25	\$10.75
	MILTONVALE	\$7.85	\$15.25	\$10.75
	TESCOTT	\$7.85	\$15.25	\$10.75
UNITED TELEPHONE ASSOCIATION, INC.				
	ASHLAND	\$8.44	\$15.65	\$12.75
	CIMARRON	\$8.44	\$15.25	\$13.70

Company	Exchange	Residential Rate with Touchtone	Comparable SWBT Rate	Comparable Sprint/United Rate
UNITED TELEPHONE ASSOCIATION, INC.	COPELAND	\$8.44	\$15.25	\$12.75
	ENGLEWOOD	\$8.44	\$15.25	\$12.75
	ENSIGN	\$8.44	\$15.25	\$12.75
	FORD	\$8.44	\$15.25	\$12.75
	HANSTON	\$8.44	\$15.25	\$12.75
	INGALLS	\$8.44	\$15.65	\$12.75
	MONTEZUMA	\$8.44	\$15.65	\$12.75
	SPEARVILLE	\$8.44	\$15.65	\$12.75
WAMEGO TELEPHONE CO., INC.	PAXICO	\$8.10	\$15.25	\$10.75
	ST GEORGE	\$8.10	\$15.65	\$10.75
	WAMEGO	\$8.10	\$15.70	\$11.25
WHEAT STATE TELEPHONE, INC.	CASSODAY	\$9.60	\$15.25	\$12.75
	MATFIELD GREEN	\$9.60	\$15.25	\$12.75
	OLPE	\$9.60	\$15.65	\$12.75
	POTWIN	\$9.60	\$15.65	\$12.75
	ROCK	\$9.60	\$15.25	\$12.75
	UDALL	\$9.60	\$15.65	\$12.75
WILSON TELEPHONE CO., INC.	BROOKVILLE	\$8.00	\$15.25	\$12.75
	DENMARK	\$8.00	\$15.25	\$12.75
	HUNTER	\$8.00	\$15.25	\$12.75
	LUCAS	\$8.00	\$15.25	\$12.75
	SYLVAN GROVE	\$8.00	\$15.25	\$12.75
	TIPTON	\$8.00	\$15.25	\$12.75
	WILSON	\$8.00	\$15.65	\$12.75
ZENDA TELEPHONE CO., INC.	ZENDA	\$9.85	\$15.25	\$12.75