

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 9:15 a.m. on March 29, 2002 in Room 123-S of the Capitol.

All members were present except:

Senator Kerr, Excused
Senator Brungardt, Excused

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:

Others attending:

See attached list.

HB 2754—Telecommunications; affordable rates; quality of service; standards.

Mary Torrence, Legislative Research, provided committee members with an amendment to **HB 2754** (Attachment 1). The amendment brings the percentage of the KUSF down and places a cap of 6%. Currently the KUSF fund is less than 4%.

The committee discussed placing the cap from 6% to 5% on the assessment.

Janet Buchanan, Kansas Corporation Commission, stated in a letter that was sent in February, if \$10M were added to the current level of the KUSF, the assessment would move from 3.7% to 4.5%. The committee discussed placing the cap from 6% to 5% on the assessment to fund KAN-ED.

Senator Wagle moved, seconded by Senator Steineger to adopt the amendment for **HB 2754** with a 5% cap. Motion carried.

Senator Emler moved, seconded by Senator Jenkins to move **HB 2754** as amended favorably for passage. Motion carried.

Meeting adjourned.

1 establish the Kansas universal service fund, hereinafter referred to as the
KUSF.

2 (a) ~~The initial amount of the KUSF shall be comprised of local
3 exchange carrier revenues lost as a result of rate rebalancing pursuant to
4 subsection (c) of K.S.A. 2001 Supp. 66-2005 and amendments thereto
5 and subsection (a) of K.S.A. 2001 Supp. 66-2007 and amendments
6 thereto. Such revenues shall be recovered on a revenue neutral basis. The
7 revenue neutral calculation shall be based on the volumes and revenues
8 for the 12 months prior to September 30, 1996, adjusted for any rate
9 changes.~~

10 ~~(b) The commission shall require every telecommunications carrier,
11 telecommunications public utility and wireless telecommunications serv-
12 ice provider that provides intrastate telecommunications services to con-
13 tribute to the KUSF on an equitable and nondiscriminatory basis. Any
14 telecommunications carrier, telecommunications public utility or wireless
15 telecommunications service provider which contributes to the KUSF may
16 collect from customers an amount equal to such carrier's, utility's or pro-
17 vider's contribution, except that before January 1, 2000, no such carrier,
18 provider or utility shall collect from customers an amount in excess of
19 8.89% of its intrastate retail revenues as provided in commission docket
no. 100-492-U¹ but such carrier, provider or utility may collect a lesser
22 amount from its customer.~~

23 ~~Prior to January 1, 2000, with respect to wireless telecommunications
24 service providers, an equitable and nondiscriminatory rate shall be an
25 amount equal to the rate of contributions of wireline telecommunications
26 service providers, as determined by the commission, reduced by the per-
27 centage minutes of usage initiated and terminated entirely over the wire-
28 less network as determined by the commission. The commission shall
29 establish such rate for wireless telecommunications service providers no
30 later than December 31, 1998. Any contributions in excess of distributions
31 collected in any reporting year shall be applied to reduce the estimated
32 contribution that would otherwise be necessary for the following year.~~

33 ~~(e)(b) Pursuant to the federal act, distributions from the KUSF shall
34 be made in a competitively neutral manner to qualified telecommunica-
35 tions public utilities, telecommunications carriers and wireless telecom-
36 munications providers, that are deemed eligible both under subsection
37 (e)(1) of section 214 of the federal act and by the commission.~~

38 ~~(d)(c) The commission shall periodically review the KUSF to deter-
39 mine if the costs of qualified telecommunications public utilities, tele-
40 communications carriers and wireless telecommunications service provid-
41 ers to provide local service justify modification of the KUSF. If the
commission determines that any changes are needed, the commission
shall modify the KUSF accordingly.~~

except that no such carrier, provider or utility shall collect from customers an amount in excess of 6% of its intrastate retail revenues