

Approved: March 17, 2008

Date

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:15 A.M. on February 18, 2008 in Room 783 of the Docking State Office Building.

All members were present except:

Vaughn Flora-excused
Forrest Knox-excused
Peggy Mast-excused
Tom Moxley-excused
Don Myers-excused
Josh Svaty-excused

Committee staff present:

Mary Galligan, Kansas Legislative Research
Carol Toland, Kansas Legislative Research
Mary Torrence, Revisor's Office
Melissa Doeblin, Revisor's Office
Renaë Hansen, Committee Administrative Assistant

Conferees appearing before the committee:

Representative Judy Logenbill
Representative Carl Holmes
Carl Mueldener, KDHE

Others attending:

Fifteen including the attached list.

HB 2634-Grant program for deploying broadband service in underserved rural areas.

Tom Holland submitted written testimony concerning, (Attachment 1), **HB 2634** a bill we had a hearing on last week in committee.

Hearing on:

HB 2698-Consumer telephone calls; time limitations

Representative Judith Loganbill-(Attachment 2) presented testimony in support of **HB 2698**, noting the hours of 8 am - 8 pm as the appropriate time frame for unsolicited calls to be made.

Opposed:

Doug Smith, Direct Marketing Association, (Attachment 3), notes that **HB 2698** addresses unsolicited consumer calls, as opposed to political calls.

Questions were asked and comments made by Representatives: Carl Holmes, Vern Swanson, Tom Hawk, Oletha Faust-Goudeau, Dan Johnson, Rocky Fund, and Tom Sloan.

Hearing on **HB 2698** was closed.

Hearing on:

HB 2892-Rules and regulations for underground crude oil storage.

CONTINUATION SHEET

MINUTES OF THE House Energy and Utilities Committee at 9:15 A.M. on February 18, 2008 in Room 783 of the Docking State Office Building.

Proponents:

Karl Mueldener, Director, Bureau of Water, KDHE, (Attachment 4), spoke in support of **HB 2892**, noting the specific rules relating to this directive are already in place to address liquefied petroleum gas storage and that this current bill may require revision to ensure it adequately addresses crude oil storage.

Carl Holmes commented on the bill, noting that **HB 2892** is needed to determine rules and regulations for crude oil storage.

There were no opponents.

Questions were asked and comments made by Representatives: Rocky Fund, Terry McLachlan, Richard Proehl, and Tom Sloan.

The hearing on **HB 2698** was closed.

The next meeting is scheduled for February 19, 2008.

The meeting was adjourned at 9: 49 a.m.

STATE OF KANSAS

TOM HOLLAND
REPRESENTATIVE 10TH DISTRICT
HOME ADDRESS: 961 E. 1600 ROAD
BALDWIN CITY, KANSAS 66006
(785) 865-2786
tomholland23@hotmail.com

OFFICE ADDRESS: STATE CAPITOL
TOPEKA, KANSAS 66612
(785) 296-7668
E-mail: holland@house.state.ks.us
1-800-432-3924



TOPEKA
HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
RANKING DEMOCRAT: TAXATION

MEMBER: HEALTH AND HUMAN SERVICES
GOVERNMENTAL EFFICIENCY AND
TECHNOLOGY

February 20, 2007

Chairman Holmes and Committee Members:

2634

Good morning! My name is Tom Holland and I am the State Representative for the Kansas House 10th District serving the communities of south Lawrence, Baldwin City, Wellsville, and north Ottawa. I am here today to ask for your support of House Bill 2448, a bill establishing the Kansas Wireless High Speed Internet Service Grant Program.

An October 2005 Pew Internet and American Life Project study finds that different Internet access speeds are creating a new divide among Internet users. High speed access users are "pulling away from dial-up users in many aspects of online life", with connection speed usurping experience as being the most significant predictor of online behavior. With high speed Internet access, Kansans can find jobs and Kansas businesses can develop markets for their products and services. While recent broadband adoption rates have been particularly impressive, broadband penetration rate discrepancies still exist between rural versus suburban and urban population areas. Without these connections, many rural Kansans will remain victims of the digital divide, ensnared in economic and educational disadvantages.

Many of my rural constituents do not enjoy high speed Internet access as their local phone companies refuse to provide DSL service beyond the 18,000 foot loop. While I appreciate and wholeheartedly support the need for business decisions to be driven by the bottom line, I also believe it is appropriate for government to create incentives for private firms to step in and help fill the gaps created by the marketplace. In this particular situation, wireless networks are a good choice as an enabling technology for expanding high speed Internet access to rural Kansas communities due to its significant cost advantages and minimal deployment time.

HB 2448 is specifically designed to encourage Kansas corporations to provide wireless high speed internet access to Kansans not having access to DSL or cable modem access services. The bill would authorize the Kansas Corporation Commission to administer the Wireless High Speed Internet Service Grant Program. Specifically, the commission would receive and evaluate business plans and make awards to private entities proposing the development of high speed Internet access service for areas where there is no current residential access to direct subscriber line service. The proposed service would have to provide certifiable downstream transmission rates of at least one megabit per second and upstream transmission rates of at least 384 kilobytes per second. Applicants would also have to show ability to provide the service at a price competitive with the price of the nearest direct subscriber line service. No grant would exceed \$50,000, and the grant could only be used towards the acquisition of equipment and software required to furnish the service to customers. The legislation would also require the KCC to prepare and submit to the governor and the legislature an annual report documenting how the state has met wireless infrastructure development goals and objectives for the previous year. The legislation, unless renewed by the Kansas Legislature, would sunset in 5 years.

ENERGY AND HOUSE UTILITIES

DATE: 2/18/2008

ATTACHMENT 1-2

High speed Internet access usage continues to grow across Kansas, and that usage is quickly setting the standard for defining ways in which the Internet both can and both must be utilized, particularly in terms of economics, education and health care. The downside to this is that high speed Internet access is also simultaneously establishing itself as a hurdle to which Kansas citizens must cross in order to compete in the global digital economy. It is imperative that all Kansans be able to reap the rewards of this exciting technology if we are truly committed to fostering economic development. HB 2448 is a prudent and economical approach to providing high speed Internet access for rural Kansans.

Thank you,

Tom Holland
State Representative – 10th District

STATE OF KANSAS

JUDITH LOGANBILL
REPRESENTATIVE 86TH DISTRICT
HOME ADDRESS: 215 S. ERIE
WICHITA, KANSAS 67211
(316) 683-7382
loganbill@house.state.ks.us

OFFICE ADDRESS: 7TH FLOOR
DOCKING STATE OFFICE BUILDING
TOPEKA, KANSAS 66612
(785) 296-7669
TTY (785) 296-8430
TOLL FREE 1-800-432-3924



TOPEKA
HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: EDUCATION
FEDERAL AND STATE AFFAIRS
JOINT COMMITTEE ON KANSAS
SECURITY

RANKING DEMOCRAT: GOVERNMENT EFFICIENCY AND
TECHNOLOGY

February 18, 2008

Chairman Holmes, Representative Olson, Representative Kuether and members of the committee:

Thank you for this opportunity to come before you to address House Bill 2698, a bill that seeks to limit the hours that robo calls may be made.

This past summer Chairman Holmes and I had an opportunity to visit about the robo calls that accompany political campaigns. Many of us here have used them in our own campaigns. That being said, they are annoying and can be extremely distracting.

When young parents are trying to get their children up and ready for school the last thing they want is one of those robo calls asking them to either vote for or against someone or something. Just about the time that young parent has finally gotten that young one to bed, they really don't want to have the phone ring and be asked to vote for Candidate X.

For those who have older children, the phone ringing later in the evening can be heart stopping. Fears of all sorts can fly through one's mind. Many of us are at that age where we have aging parents, and I can guarantee you that having the phone ring later in the evening is heart stopping, and my blood pressure goes up and my heart often begins to race as I imagine all sorts of scenarios about how fast I can drive to Newton.

This proposed change DOES NOT stop one from making the calls, it doesn't infringe on anyone's right to voice an opinion, it simply says that it's acceptable to do so between the hours of 8 AM and 8 PM.

A handwritten signature in cursive script, appearing to read "Judith", written in dark ink.

ENERGY AND HOUSE UTILITIES

DATE: 2/18/08

ATTACHMENT 2

Direct Marketing Association

**TESTIMONY
HOUSE ENERGY AND UTILITIES COMMITTEE
HOUSE BILL NO. 2698
February 18, 2008**

Dear Chairman Holmes and Honorable Members of the House Committee:

Thank you for the opportunity to appear before you this morning. My name is Doug Smith. I appear on behalf of the Direct Marketing Association (DMA), which serves as a professional trade association for direct marketers. The DMA is the oldest and largest national trade association, serving the direct marketing industry since 1917.

The DMA is not opposed to placing in the statute a specific time period for which unsolicited telemarketing calls are restricted. We are opposed to legislation that creates inconsistency in between federal and state law. We would prefer and propose that any time restrictions placed in Kansas law match the federal restrictions.

Currently, two of the federal acts, which our members operate under, permit calls between the hours of 8 A.M. to 9 P.M.

- The **Telephone Consumer Protection Act** -"TCPA" was passed in 1991. The Federal Communications Commission adopted rules and regulations implementing the act. The TCPA rules permit calls between 8 A.M. and 9 P.M. (*47 CFR 64 (1200)(c)(1)*)
- The **Telemarketing and Consumer Fraud and Abuse Prevention Act**, also known as the "**Telemarketing Sales Rule**" (TSR) offers consumers protection from telemarketing deception and abuse. The Federal Trade Commission was directed to create rules prohibiting deceptive telemarketing acts or practice. The TSR makes it an abusive act or practice and a violation for a telemarketer to engage in telephone calls to a residence at any time other than between 8 A.M. to 9 P.M. local time. (*16 CFR 310.4(b)(4)(iii)*)

I am aware, that some states have adopted their own calling limitations which apply to certain types of consumer calls and impose assorted time restrictions on calls. However, since telemarketing calls are being made across state lines, from coast to coast, we hope that Kansas would adopt an approach that is uniform and consistent with federal laws for interstate commerce.

Thank you for your consideration.

HOUSE ENERGY AND UTILITIES
DATE: 2/18/2008
ATTACHMENT 3



Kathleen Sebelius, Governor
Roderick L. Bremby, Secretary

DEPARTMENT OF HEALTH
AND ENVIRONMENT

www.kdheks.gov

Division of Environment

Testimony on House Bill 2892

Presented to
House Energy and Utilities Committee
By
Karl Mueldener
Director, Bureau of Water

February 18, 2008

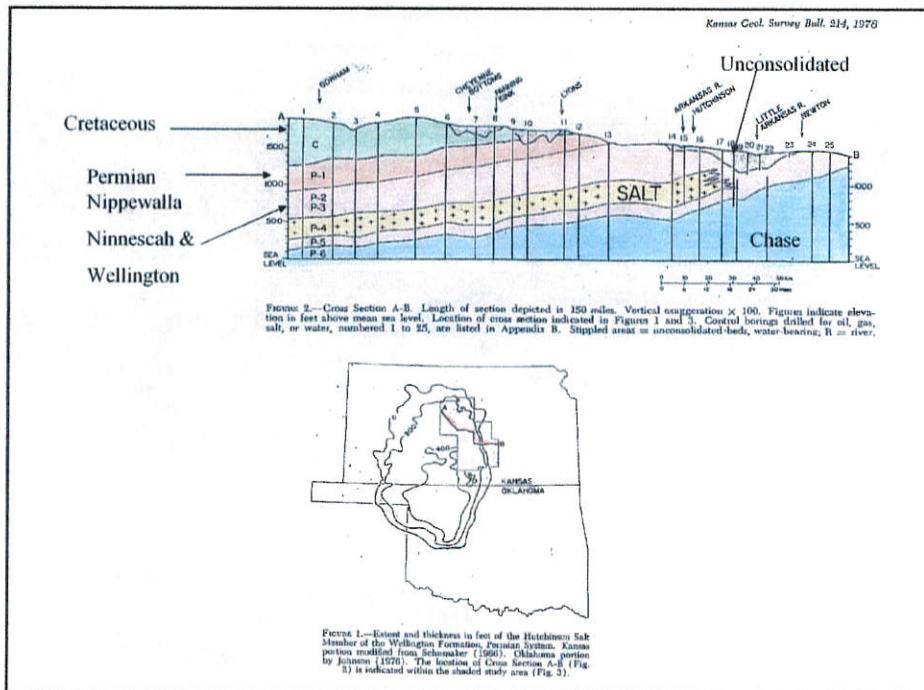
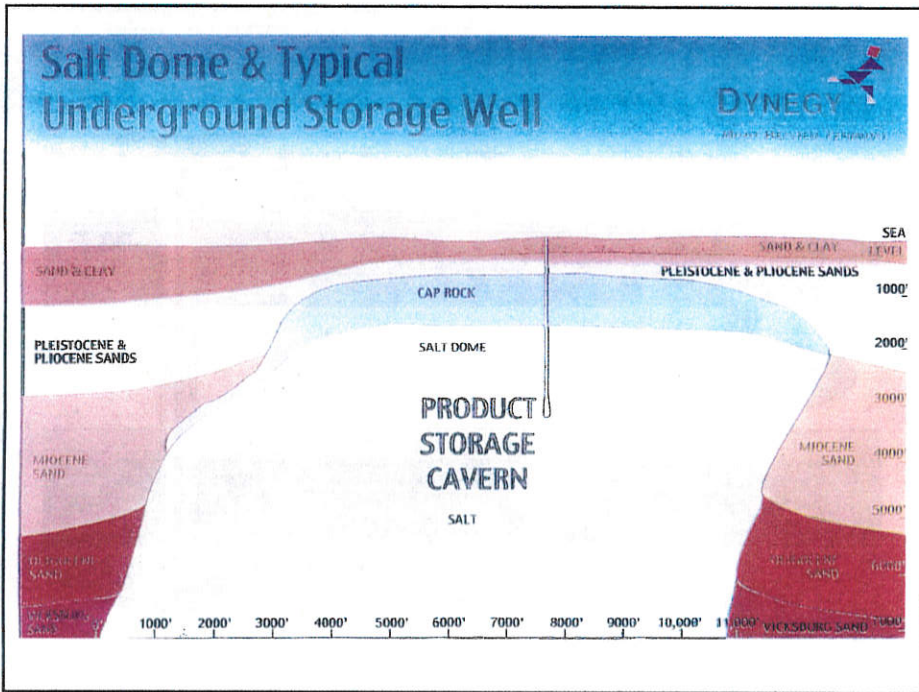
Chairperson Holmes and members of the Committee, I am Karl Mueldener, Director of KDHE's Bureau of Water. I appear before you today in support of House Bill 2892, addressing underground storage of crude oil. New Section 1 instructs the Secretary of KDHE to adopt regulations governing underground storage of crude oil and to appoint an advisory committee to assist in this task.

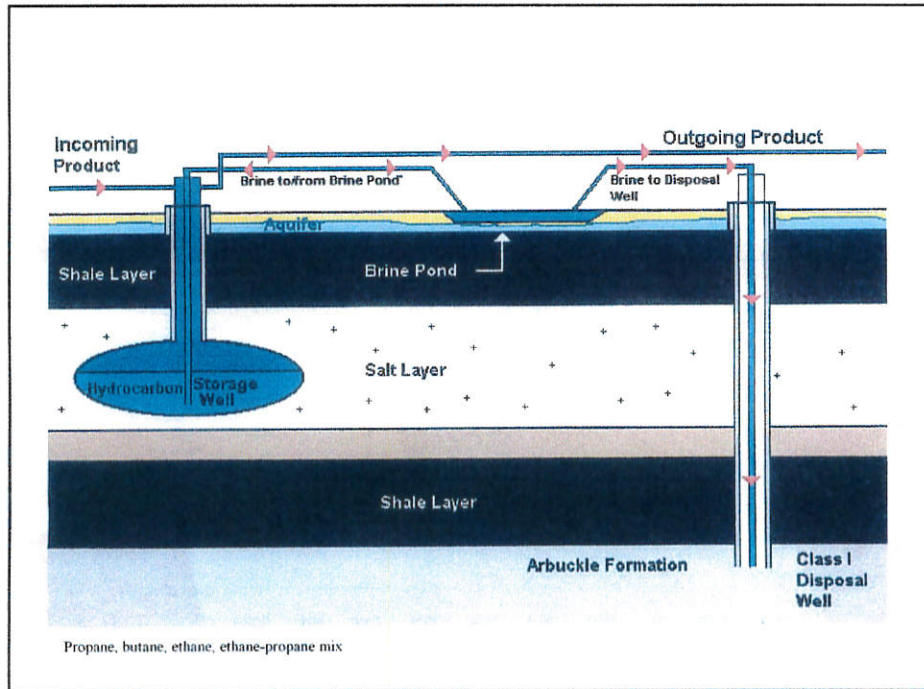
Underground storage of various fuels in Kansas's salt formations has occurred since the 1950's. Products stored in salt caverns have included propane, butane, ethane, methane, gasoline, and jet fuel. Storing crude oil would be very similar and perhaps could be accomplished in the same facilities in a safe and secure manner.

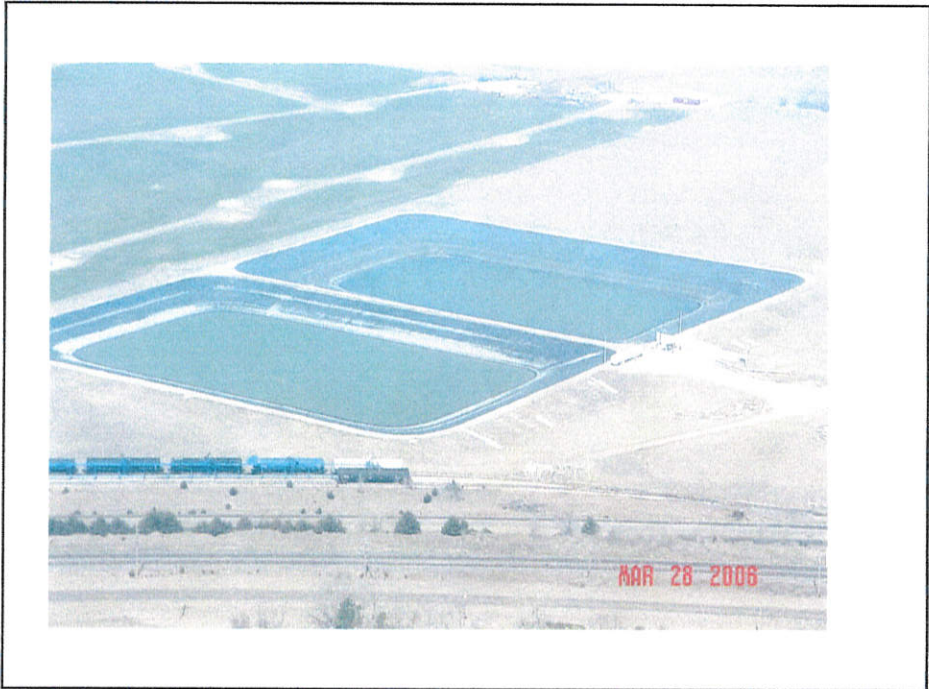
New Section 1 instructs the Secretary of KDHE to adopt regulations governing underground storage of crude oil. Although existing regulations found at K.A.R. 28-45-1 et seq., "Hydrocarbon Storage Wells and Associated Brine Ponds," address hydrocarbon storage in salt caverns, the regulations were designed primarily to address liquefied petroleum gas storage and may require revision to ensure they adequately address crude oil storage.

The Federal Safe Drinking Water Act defines crude oil storage wells as Class II Underground Injection Control (UIC) wells. There are five classes of UIC wells for regulatory purposes. Class II wells are primarily those associated with oil production and the Kansas Corporation Commission (KCC) is authorized to regulate oil field Class II activities in Kansas. KDHE has authority from EPA to administer the other four classes of injection wells. In the instance of crude oil storage in salt formations, regulatory oversight appears to fit better with KDHE than KCC. KDHE and KCC personnel discussed the topic last year and KCC then indicated agreement. An interagency agreement with EPA, KDHE, and KCC should be able to address the appropriate agency roles for crude oil storage.

Attachments for informational purposes are sketches and pictures regarding storage of liquid in salt.







KANSAS STORAGE VOLUME

Facility	Total bbls	# Wells
Enterprise-Hutchinson	3,732,738	17
NCRA-Conway	5,470,580	78
ONEOK Bushton	15,160,716	88
ONEOK Conway	4,175,024	43
ONEOK Hillside-Hutchinson	2,514,683	21
ONEOK Fractionation-Hutchinson	9,047,290	58
Williams CUE-Conway	11,586,469	89
Williams West-Conway	12,537,944	59
Williams Mitchell	5,474,427	23
Total LPG	69,699,871	476
ONEOK Yaggy	16,529,620	98
Total - LPG & Natural Gas	86,229,491	574

12/18/2006

M is wells in monitoring status- filled with brine