

Approved: May 1, 2003

Date

## MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:05 a.m. on March 7, 2003 in Room 526-S of the Capitol.

All members were present except:    Representative Nile Dillmore  
   Representative Peggy Long  
   Representative Judy Showalter  
   Representative Jerry Williams

Committee staff present:        Mary Galligan, Legislative Research  
   Dennis Hodgins, Legislative Research  
   Mary Torrence, Revisor of Statutes  
   Jo Cook, Administrative Assistant

Conferees appearing before the committee:  
   Edwardo Rodriguez, SBC-Kansas  
   Becky DeCook, A T & T  
   John Ivanuska, Birch Telecom  
   Richard Lawson, Sprint  
   Janet Buchanan, Kansas Corporation Commission

Others attending:        See Attached List

Information regarding the tour of the Sprint Headquarters, scheduled for Monday, March 10, was distributed to the committee.

Chairman Holmes told the committee that the purpose of the meeting today was to obtain information provided by several telecommunication industry representatives on their understanding and interpretation of the recent Federal Communications Commission (FCC) Triennial Review.

Edwardo Rodriguez, Assistant Vice President-Regulatory for SBC-Kansas, addressed the committee first (Attachment 1). Mr. Rodriguez stated they felt the FCC had largely passed on its legal obligation to determine what network elements must be 'unbundled' or shared with competitors and has left this to the individual states. They feel the order will do nothing to increase certainty in the telecom industry.

Becky DeCook, Counsel for A T & T, spoke to the committee (Attachment 2). Ms. DeCook stated that the FCC decision includes deregulation of broadband facilities, meaning that SBC and others have no obligation to provide their competitors access to their broadband facilities. Additionally, she stated that the decision no longer requires Bell companies to offer line sharing as an unbundled element, while providing a three year transition period in which competitors must transition their existing customers that are line sharing to another arrangement.

John Ivanuska, Vice President of Birch Telecom, offered remarks on the FCC decision (Attachment 3). Mr. Ivanuska stated they believed the FCC voted to eliminate SBC's obligation to unbundle most typed of broadband/high-speed Internet capacity.

Richard Lawson, Sprint State Executive, addressed the committee on the FCC rulings (Attachment 4). Mr.

Lawson detailed five issues the ruling specifically deals with. They are 1) a basic impairment standard that will determine what parts of a local telephone company's network must be unbundled and priced based on forward looking costs; 2) the extent local telephone companies have to unbundle their broadband networks; 3) the extent local telephone companies will have to continue offering local switching as an unbundled network element; 4) the extent local telephone companies will have to offer interoffice high-capacity transport to its competitors; and 5) other miscellaneous legal issues.

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:05 a.m. on March 7, 2003.

Janet Buchanan, Chief of Telecommunications for the Kansas Corporation Commission, provided remarks on the FCC order (Attachment 5). Ms. Buchanan stated that the final order is not yet available and that it is expected to offer greater clarification to states for determining whether competitive Local Exchange Carriers (LECs) will be impaired without access to a particular UNE. Additionally, Ms. Buchanan told the committee that the FCC indicates it will request further comment on its pick-and-choose rule for interconnection agreements. Also, the Commission has issued an order that will stay further proceedings regarding end-to-end broadband capable loop and the unbundling of packet switching; require parties to file testimony regarding methodology used to determine rates for splitter functionality and require SBC to report on its streamlined ordering process enabling migration from line sharing to line splitting.

Written testimony was provided by Sage Telecom (Attachment 6) and NuVox Communications (Attachment 7).

The conferees responded to questions from the committee.

Chairman Holmes requested that someone from the industry provide to the committee a comparison of what the original **HB 2019** had in it to what the FCC rulings included.

Representative Sloan moved to approved the minutes of the January 14, January 15, January 16, January 21, January 22, January 23, and January 24 committee meetings. Representative Reitz seconded the motion. The motion carried.

The meeting adjourned at 10:15 a.m.

The next meeting will be the tour of the Sprint Headquarters in Overland Park, Kansas on Monday, March 10, 2003.