

As Amended by House Committee

Session of 2013

HOUSE BILL No. 2201

By Committee on Utilities and Telecommunications

2-1

1 AN ACT concerning telecommunications; relating to the state corporation
2 commission, regulation; concerning the Kansas universal service fund,
3 eligibility and disbursements; establishing the telecommunications
4 study committee; amending K.S.A. 66-1,188, **66-1,191, 66-1,195, 66-**
5 **2002, 66-2003 and 66-2007** and K.S.A. 2012 Supp. 66-1,187, 66-2005,
6 **66-2006, 66-2008 and 66-2009** and repealing the existing sections.
7

8 *Be it enacted by the Legislature of the State of Kansas:*

9 New Section 1. (a) There is hereby established the
10 telecommunications study committee. The committee shall study
11 telecommunications issues and ensure that the public policy of Kansas, as
12 expressed in K.S.A. 66-2001, and amendments thereto, is maintained, with
13 priority being given to advancing statewide telecommunications
14 infrastructure.

15 (b) The study committee shall be composed of 13 voting members, as
16 follows: (1) The chairperson, vice-chairperson and ranking minority
17 member of the senate committee on utilities;

18 (2) the chairperson, vice-chairperson and ranking minority member of
19 the house committee on utilities and telecommunications;

20 (3) two members appointed by the president of the senate;

21 (4) one member appointed by the minority leader of the senate;

22 (5) three members appointed by the speaker of the house of
23 representatives; and

24 (6) one member appointed by the minority leader of the house of
25 representatives.

26 (c) Members shall be appointed to the study committee on or before
27 August 1, 2013 for a term ending on June 30, 2016. The chairperson of the
28 senate committee on utilities and the chairperson of the house committee
29 on utilities and telecommunications shall serve as co-chairpersons of the
30 committee. The co-chairpersons shall determine the procedures for calling
31 a meeting to order and conducting committee business. The first meeting
32 of the study committee shall be called by the co-chairpersons of the
33 committee following the conclusion of the 2013 regular session of the
34 Kansas legislature. The committee shall have the authority to meet at any
35 time and at any place within the state on the call of the co-chairpersons.

36 (d) The provisions of the acts contained in article 12 of chapter 46 of

1 expenditures necessary to serve additional customers within the service
 2 area of such ~~qualifying utility, provider or~~ carrier. All affected parties shall
 3 be allowed to review and verify a request of such a ~~qualified utility~~ carrier
 4 or ~~provider~~ for supplemental funding from the KUSF, and to intervene in
 5 any commission proceeding regarding such request. The commission shall
 6 issue an order on the request within 120 days of filing. Additional funding
 7 also may be requested for: The recovery of shortfalls due to additional
 8 rebalancing of rates to continue maintenance of parity with interstate
 9 access rates; shortfalls due to changes to access revenue requirements
 10 resulting from changes in federal rules; additional investment required to
 11 provide universal service and enhanced universal service, deployed subject
 12 to subsection (a) of K.S.A. 66-2005, and amendments thereto; and for
 13 infrastructure expenditures in response to facility or service requirements
 14 established by any legislative, regulatory or judicial authority. Such
 15 requests shall be subject to simplified filing procedures and the expedited
 16 review procedures, as outlined in the stipulation attached to the order of
 17 November 19, 1990 in docket no. 127,140-U (Phase IV).

18 ~~(e)(f)~~ For each local exchange carrier electing pursuant to subsection
 19 (b) of K.S.A. 66-2005, and amendments thereto, to operate under
 20 traditional rate of return regulation, all KUSF support, including any
 21 adjustment thereto pursuant to this section shall be based on such carrier's
 22 embedded costs, revenue requirements, investments and expenses. ~~The~~
 23 ~~commission shall continue; Until at least March 1, 2017, to determine~~
 24 ~~KUSF support for local exchange carriers electing traditional rate of~~
 25 ~~return regulation pursuant to subsection (b) of K.S.A. 66-2005, and~~
 26 ~~amendments thereto, in the same manner and using the same policies and~~
 27 ~~procedures in effect on January 1, 2013, any modification of such support~~
 28 ~~shall be made only as a direct result of changes in those factors~~
 29 ~~enumerated in this subsection. **Nothing in this subsection shall prohibit**~~
 30 ~~the commission from conducting a general investigation regarding~~
 31 ~~effects of federal universal service reform on KUSF support and the~~
 32 ~~telecommunications public policy of the state of Kansas as expressed~~
 33 ~~in K.S.A. 66-2001, and amendments thereto. The commission may~~
 34 ~~present any findings and recommendations to the telecommunications~~
 35 ~~study committee established in section 1, and amendments thereto.~~

36 ~~(f)(g)~~ Additional supplemental funding from the KUSF, other than as
 37 provided in subsection ~~(f)(e)~~, may be authorized at the discretion of the
 38 commission. However, the commission may require approval of such
 39 funding to be based upon a general rate case filing. With respect to any
 40 request for additional supplemental funding from the KUSF ~~and to any~~
 41 ~~audit of a rural telephone company's KUSF support~~, the commission shall
 42 act expeditiously, ~~but~~ and shall ~~not~~ be subject to the ~~120-day~~ 240-day
 43 deadline set forth in subsection ~~(d)~~ for rate case applications pursuant to

, except that the total KUSF distributions made to all local exchange carriers operating under traditional rate of return regulation pursuant to subsection (b) of K.S.A. 66-2005, and amendments thereto, shall not exceed an annual \$29,000,000 cap. A waiver of the cap shall be granted based on a demonstration by a carrier that such carrier would experience significant hardship due to an equipment failure, force majeure, natural disaster or other unexpected expense as determined by the commission