

SENATE BILL No. 331

By Committee on Ways and Means

1-30

1 AN ACT concerning telecommunications; relating to interconnection;
2 amending K.S.A. 2013 Supp. 66-2005 and repealing the existing
3 section.
4

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

6 Section 1. K.S.A. 2013 Supp. 66-2005 is hereby amended to read as
7 follows: 66-2005. (a) Each local exchange carrier shall file a network
8 infrastructure plan with the commission on or after January 1, 1997, and
9 prior to January 1, 1998. Each plan, as a part of universal service
10 protection, shall include schedules, which shall be approved by the
11 commission, for deployment of universal service capabilities by July 1,
12 1998, and the deployment of enhanced universal service capabilities by
13 July 1, 2003, as defined pursuant to subsections (p) and (q) of K.S.A. 66-
14 1,187, and amendments thereto, respectively. With respect to enhanced
15 universal service, such schedules shall provide for deployment of ISDN, or
16 its technological equivalent, or broadband facilities, only upon a firm
17 customer order for such service, or for deployment of other enhanced
18 universal services by a local exchange carrier. After receipt of such an
19 order and upon completion of a deployment plan designed to meet the firm
20 order or otherwise provide for the deployment of enhanced universal
21 service, a local exchange carrier shall notify the commission. The
22 commission shall approve the plan unless the commission determines that
23 the proposed deployment plan is unnecessary, inappropriate, or not cost
24 effective, or would create an unreasonable or excessive demand on the
25 KUSF. The commission shall take action within 90 days. If the
26 commission fails to take action within 90 days, the deployment plan shall
27 be deemed approved. This approval process shall continue until July 1,
28 2000. Each plan shall demonstrate the capability of the local exchange
29 carrier to comply on an ongoing basis with quality of service standards to
30 be adopted by the commission no later than January 1, 1997.

31 (b) In order to protect universal service, facilitate the transition to
32 competitive markets and stimulate the construction of an advanced
33 telecommunications infrastructure, each local exchange carrier shall file a
34 regulatory reform plan at the same time as it files the network
35 infrastructure plan required in subsection (a). As part of its regulatory
36 reform plan, a local exchange carrier may elect traditional rate of return

1 regulation or price cap regulation. Carriers that elect price cap regulation
2 shall be exempt from rate base, rate of return and earnings regulation and
3 shall not be subject to the provisions of K.S.A. 66-136 and 66-127, and
4 amendments thereto, except as otherwise provided in such sections.
5 However, the commission may resume such regulation upon finding, after
6 a hearing, that a carrier that is subject to price cap regulation has: Violated
7 minimum quality of service standards pursuant to subsection (l) of K.S.A.
8 66-2002, and amendments thereto; been given reasonable notice and an
9 opportunity to correct the violation; and failed to do so. Regulatory reform
10 plans also shall include:

11 (1) A commitment to provide existing and newly ordered point-to-
12 point broadband services to: Any hospital as defined in K.S.A. 65-425, and
13 amendments thereto; any school accredited pursuant to K.S.A. 72-1101 et
14 seq., and amendments thereto; any public library; or other state and local
15 government facilities at discounted prices close to, but not below, long-run
16 incremental cost; and

17 (2) a commitment to provide basic rate ISDN service, or the
18 technological equivalent, at prices which are uniform throughout the
19 carrier's service area. Local exchange carriers shall not be required to
20 allow retail customers purchasing the foregoing discounted services to
21 resell those services to other categories of customers. Telecommunications
22 carriers may purchase basic rate ISDN services, or the technological
23 equivalent, for resale in accordance with K.S.A. 66-2003, and amendments
24 thereto. The commission may reduce prices charged for services outlined
25 in provisions (1) and (2) of this subsection, if the commitments of the local
26 exchange carrier set forth in those provisions are not being kept.

27 (c) Subject to the commission's approval, all local exchange carriers
28 shall reduce intrastate access charges to interstate levels as provided
29 herein. Rates for intrastate switched access, and the imputed access portion
30 of toll, shall be reduced over a three-year period with the objective of
31 equalizing interstate and intrastate rates in a revenue neutral, specific and
32 predictable manner. The commission is authorized to rebalance local
33 residential and business service rates to offset the intrastate access and toll
34 charge reductions. Any remaining portion of the reduction in access and
35 toll charges not recovered through local residential and business service
36 rates shall be paid out from the KUSF pursuant to K.S.A. 66-2008, and
37 amendments thereto. Each rural telephone company shall adjust its
38 intrastate switched access rates on March 1 of each odd-numbered year to
39 match its interstate switched access rates, subject to the following:

40 (1) Any reduction of a rural telephone company's cost recovery due to
41 reduction of its intrastate access revenue, except such revenue recovered
42 from another support mechanism, shall be recovered from the KUSF;

43 (2) any portion of rural telephone company reductions in intrastate

1 switched access rates which would result in an increase in KUSF recovery
2 in a single year which exceeds .75% of intrastate retail revenues used in
3 determining sums which may be recovered from Kansas
4 telecommunications customers pursuant to subsection (a) of K.S.A. 66-
5 2008, and amendments thereto, shall be deferred until March 1 of the next
6 following odd-numbered year; and

7 (3) no rural company shall be required at any time to reduce its
8 intrastate switched access rates below the level of its interstate switched
9 access rates.

10 (d) Beginning March 1, 1997, each rural telephone company shall
11 have the authority to increase annually its monthly basic local residential
12 and business service rates by an amount not to exceed \$1 in each 12-month
13 period until such monthly rates reach an amount equal to the statewide
14 rural telephone company average rates for such services. The statewide
15 rural telephone company average rates shall be the arithmetic mean of the
16 lowest flat rate as of March 1, 1996, for local residential service and for
17 local business service offered by each rural telephone company within the
18 state. In the case of a rural telephone company which increases its local
19 residential service rate or its local business service rate, or both, to reach
20 the statewide rural telephone company average rate for such services, the
21 amount paid to the company from the KUSF shall be reduced by an
22 amount equal to the additional revenue received by such company through
23 such rate increase. In the case of a rural telephone company which elects
24 to maintain a local residential service rate or a local business service rate,
25 or both, below the statewide rural telephone company average, the amount
26 paid to the company from the KUSF shall be reduced by an amount equal
27 to the difference between the revenue the company could receive if it
28 elected to increase such rate to the average rate and the revenue received
29 by the company.

30 (e) For purposes of determining sufficient KUSF support, an
31 affordable rate for local exchange service provided by a rural telephone
32 company subject to traditional rate of return regulation shall be determined
33 as follows:

34 (1) For residential service, an affordable rate shall be the arithmetic
35 mean of residential local service rates charged in this state in all exchanges
36 served by rural telephone companies and in all exchanges in rate groups 1
37 through 3 as of February 20, 2002, of all other local exchange carriers, but
38 not including electing carriers, weighted by the number of residential
39 access lines to which each such rate applies, and thereafter rounded to the
40 nearest quarter-dollar, subject to the following provisions:

41 (A) If a rural telephone company's present residential rate, including
42 any separate charge for tone dialing, is at or above such weighted mean,
43 such rate shall be deemed affordable prior to March 1, 2007.

1 (B) If a rural telephone company's present residential rate, including
2 any separate charge for tone dialing, is below such average: (i) Such rate
3 shall be deemed affordable prior to March 1, 2003; (ii) as of March 1,
4 2003, and prior to March 1, 2004, a rate \$2 higher than the company's
5 present residential monthly rate, but not exceeding such weighted mean,
6 shall be deemed affordable; (iii) as of March 1, 2004, and prior to March
7 1, 2005, a rate \$4 higher than the company's present residential monthly
8 rate, but not exceeding such weighted mean, shall be deemed affordable;
9 and (iv) as of March 1, 2005, and prior to March 1, 2006, a rate \$6 higher
10 than the company's present residential monthly rate, but not exceeding
11 such weighted mean, shall be deemed affordable.

12 (C) As of March 1, 2007, and each two years thereafter, an affordable
13 residential service rate shall be the weighted arithmetic mean of local
14 service rates determined as of October 1 of the preceding year in the
15 manner hereinbefore specified, except that any increase in such mean
16 exceeding \$2 may be satisfied by increases in a rural telephone company's
17 residential monthly service rate not exceeding \$2 per year, effective March
18 1 of the year when such mean is determined, with the remainder applied at
19 the rate of \$2 per year, but not to exceed the affordable rate.

20 (2) For single line business service at any time, an affordable rate
21 shall be the existing rate or an amount \$3 greater than the affordable rate
22 for residential service as determined under provision (1) of this subsection,
23 whichever is higher, except that any increase in the business service
24 affordable rate exceeding \$2 may be satisfied by increases in a rural
25 telephone company's business monthly service rate not exceeding \$2 per
26 year, effective March 1 of the year when such rate is determined, with the
27 remainder applied at the rate of \$2 per year, but not to exceed the
28 affordable rate.

29 (3) Any flat fee or charge imposed per line on all residential service
30 or single line business service, or both, other than a fee or charge for
31 contribution to the KUSF or imposed by other governmental authority,
32 shall be added to the basic service rate for purposes of determining an
33 affordable rate pursuant to this subsection.

34 (4) Not later than March 1, 2003, tone dialing shall be made available
35 to all local service customers of each rural telephone company at no charge
36 additional to any increase in the local service rate to become effective on
37 that date. The amount of revenue received as of March 1, 2002, by a rural
38 telephone company from the provision of tone dialing service shall be
39 excluded from reductions in the company's KUSF support otherwise
40 resulting pursuant to this subsection.

41 (5) A rural telephone company which raises one or more local service
42 rates on application made after February 20, 2002, and pursuant to
43 subsection (b) of K.S.A. 66-2007, and amendments thereto, shall have the

1 level of its affordable rate increased by an amount equal to the amount of
2 the increase in such rate.

3 (6) Upon motion by a rural telephone company, the commission may
4 determine a higher affordable local residential or business rate for such
5 company if such higher rate allows the company to provide additional or
6 improved service to customers, but any increase in a rural telephone
7 company's local rate attributable to the provision of increased calling
8 scope shall not be included in any subsequent recalculation of affordable
9 rates as otherwise provided in this subsection.

10 (7) A uniform rate for residential and single line business local
11 service adopted by a rural telephone company shall be deemed an
12 affordable rate for purposes of this subsection if application of such
13 uniform rate generates revenue equal to that which would be generated by
14 application of residential and business rates which are otherwise deemed
15 affordable rates for such company under this subsection.

16 (8) The provisions of this subsection relating to the implementation of
17 an affordable rate shall not apply to rural telephone companies which do
18 not receive KUSF support. When recalculating affordable rates as
19 provided in this subsection, the rates used shall include the actual rates
20 charged by rural companies that do not receive KUSF support.

21 (f) For regulatory reform plans in which price cap regulation has been
22 elected, price cap plans shall have three baskets: Residential and single-
23 line business, including touch-tone; switched access services; and
24 miscellaneous services. The commission shall establish price caps at the
25 prices existing when the regulatory plan is filed subject to rate rebalancing
26 as provided in subsection (c) for residential services, including touch-tone
27 services, and for single-line business services, including touch-tone
28 services, within the residential and single-line business service basket. The
29 commission shall establish a formula for adjustments to the price caps. The
30 commission also shall establish price caps at the prices existing when the
31 regulatory plan is filed for the miscellaneous services basket. The
32 commission shall approve any adjustments to the price caps for the
33 miscellaneous service basket, as provided in subsection (g).

34 (g) On or before January 1, 1997, the commission shall issue a final
35 order in a proceeding to determine the price cap adjustment formula that
36 shall apply to the price caps for the local residential and single-line
37 business and the miscellaneous services baskets and for sub-categories, if
38 any, within those baskets. In determining this formula, the commission
39 shall balance the public policy goals of encouraging efficiency and
40 promoting investment in a quality, advanced telecommunications network
41 in the state. The commission also shall establish any informational filing
42 requirements necessary for the review of any price cap tariff filings,
43 including price increases or decreases within the caps, to verify such caps

1 would not be exceeded by any proposed price change. The adjustment
2 formula shall apply to the price caps for the local residential and single-
3 line business basket after December 31, 1999, and to the miscellaneous
4 services basket after December 31, 1997. The price cap formula, but not
5 actual prices, shall be reviewed every five years.

6 (h) The price caps for the residential and single-line business service
7 basket shall be capped at their initial level until January 1, 2000, except for
8 any increases authorized as a part of the revenue neutral rate rebalancing
9 under subsection (c). The price caps for this basket and for the categories
10 in this basket, if any, shall be adjusted annually after December 31, 1999,
11 based on the formula determined by the commission under subsection (g).

12 (i) The price cap for the switched access service basket shall be set
13 based upon the local exchange carrier's intrastate access tariffs as of
14 January 1, 1997, except for any revenue neutral rate rebalancing
15 authorized in accordance with subsection (c). Thereafter, the cap for this
16 basket shall not change except in connection with any subsequent revenue
17 neutral rebalancing authorized by the commission under subsection (c).

18 (j) The price caps for the miscellaneous services basket shall be
19 adjusted annually after December 31, 1997, based on the adjustment
20 formula determined by the commission under subsection (g).

21 (k) A price cap is a maximum price for all services taken as a whole
22 in a given basket. Prices for individual services may be changed within the
23 service categories, if any, established by the commission within a basket.
24 An entire service category, if any, within the residential and single-line
25 business basket or miscellaneous services basket may be priced below the
26 cap for such category. Unless otherwise approved by the commission, no
27 service shall be priced below the price floor which will be long-run
28 incremental cost and imputed access charges. Access charges equal to
29 those paid by telecommunications carriers to local exchange carriers shall
30 be imputed as part of the price floor for toll services offered by local
31 exchange carriers on a toll service basis.

32 (l) A local exchange carrier may offer promotions within an exchange
33 or group of exchanges. All promotions shall be approved by the
34 commission and may not be unjust, unreasonably discriminatory or unduly
35 preferential.

36 (m) Unless the commission authorizes price deregulation at an earlier
37 date, intrastate toll services within the miscellaneous services basket shall
38 continue to be regulated until the affected local exchange carrier begins to
39 offer 1+ intraLATA dialing parity throughout its service territory, at which
40 time intrastate toll will be price deregulated, except that prices cannot be
41 set below the price floor.

42 (n) On or before July 1, 1997, the commission shall establish
43 guidelines for reducing regulation prior to price deregulation of price cap

1 regulated services in the miscellaneous services basket, the switched
2 access services basket, and the residential and single-line business basket.

3 (o) Subsequent to the adoption of guidelines pursuant to subsection
4 (n), the commission shall initiate a petitioning procedure under which the
5 local exchange carrier may request rate range pricing. The commission
6 shall act upon a petition within 21 days, subject to a 30-day extension. The
7 prices within a rate range shall be tariffed and shall apply to all customers
8 in a nondiscriminatory manner in an exchange or group of exchanges.

9 (p) A local exchange carrier may petition the commission to designate
10 an individual service or service category, if any, within the miscellaneous
11 services basket, the switched access services basket or the residential and
12 single-line business basket for reduced regulation. The commission shall
13 act upon a petition for reduced regulation within 21 days, subject to an
14 extension period of an additional 30 days, and upon a good cause showing
15 of the commission in the extension order, or within such shorter time as
16 the commission shall approve. The commission shall issue a final order
17 within the 21-day period or within a 51-day period if an extension has
18 been issued. Following an order granting reduced regulation of an
19 individual service or service category, the commission shall act on any
20 request for price reductions within seven days subject to a 30-day
21 extension. The commission shall act on other requests for price cap
22 adjustments, adjustments within price cap plans and on new service
23 offerings within 21 days subject to a 30-day extension. Such a change will
24 be presumed lawful unless it is determined the prices are below the price
25 floor or that the price cap for a category, if any, within the entire basket has
26 been exceeded.

27 (q) (1) Beginning July 1, 2006, price regulation of
28 telecommunications services in the residential and single-line business
29 service basket and the miscellaneous services basket for local exchange
30 carriers subject to price cap regulation shall be as follows:

31 (A) Packages or bundles of services shall be price deregulated
32 statewide, however the individual telecommunication service components
33 of such packages or bundles shall remain available for purchase on an
34 individual basis at prices subject to price cap regulation in any exchange in
35 which the standards in subsection (q)(1)(B), (C) or (D) have not been met.
36 If standards in subsection (q)(1)(B), (C) or (D) have been met, the
37 individual telecommunication service components of such packages or
38 bundles shall remain available for purchase on an individual basis and
39 prices for packages or bundles shall not exceed the sum of the highest
40 prices of the a la carte components of the package or bundle;

41 (B) in any exchange in which there are 75,000 or more local
42 exchange access lines served by all providers, rates for all
43 telecommunications services shall be price deregulated;

1 (C) in any exchange in which there are fewer than 75,000 local
2 exchange access lines served by all providers, the commission shall price
3 deregulate all business telecommunication services upon a demonstration
4 by the requesting local telecommunications carrier that there are two or
5 more nonaffiliated telecommunications carriers or other entities, that are
6 nonaffiliated with the local exchange carrier, providing local
7 telecommunications service to business customers, regardless of whether
8 the entity provides local service in conjunction with other services in that
9 exchange area. One of such nonaffiliated carriers or entities shall be
10 required to be a facilities-based carrier or entity and not more than one of
11 such nonaffiliated carriers or entities shall be a provider of commercial
12 mobile radio services in that exchange;

13 (D) in any exchange in which there are fewer than 75,000 local
14 exchange access lines served by all providers, the commission shall price
15 deregulate all residential telecommunication services upon a
16 demonstration by the requesting local telecommunications carrier that
17 there are two or more nonaffiliated telecommunications carriers or other
18 entities, that are nonaffiliated with the local exchange carrier, providing
19 local telecommunications service to residential customers, regardless of
20 whether the entity provides local service in conjunction with other services
21 in that exchange area. One of such nonaffiliated carriers or entities shall be
22 required to be a facilities-based carrier or entity and not more than one of
23 such nonaffiliated carriers or entities shall be a provider of commercial
24 mobile radio services in that exchange;

25 (E) rates for lifeline services shall remain subject to price cap
26 regulation;

27 (F) up to and continuing until July 1, 2008, rates for the initial
28 residential local exchange access line and up to four business local
29 exchange access lines at one location shall remain subject to price cap
30 regulation. On and after July 1, 2008, the local exchange carrier shall be
31 authorized to adjust such rates without commission approval by not more
32 than the percentage increase in the consumer price index for all urban
33 consumers, as officially reported by the bureau of labor statistics of the
34 United States department of labor, or its successor index, in any one year
35 period and such rates shall not be adjusted below the price floor
36 established in subsection (k). Such rates shall not be affected by purchase
37 of one or more of the following: Call management services, intraLATA
38 long distance service or interLATA long distance service; and

39 (G) local exchange carriers shall offer a uniform price throughout
40 each such exchange for services subject to price deregulation, under this
41 subsection, including packages or bundles of services, except as provided
42 in subsection (1) or as otherwise approved by the commission.

43 (2) For the purposes of this subsection:

1 (A) Any entity providing voice service shall be considered as a local
2 telecommunications service provider regardless of whether such entity is
3 subject to regulation by the commission;

4 (B) a provider of local telecommunications service that requires the
5 use of a third party, unaffiliated broadband network or dial-up internet
6 network for the origination of local voice service shall not be considered a
7 local telecommunications service provider;

8 (C) telecommunications carriers offering only prepaid
9 telecommunications service shall not be considered entities providing local
10 telecommunications service.

11 (3) If the services of a local exchange carrier are classified as price
12 deregulated under this subsection, the carrier may thereafter adjust its rates
13 for such price deregulated services upward or downward as it determines
14 appropriate in its competitive environment, with tariffs for such services
15 deemed effective upon filing with the commission. Price deregulated
16 services shall be subject to the price floor in subsection (k), and shall not
17 be unreasonably discriminatory or unduly preferential within an exchange.

18 (4) The commission shall act upon a petition filed pursuant to
19 subsection (q)(1)(C) or (D) within 21 days, subject to an extension period
20 of an additional 30 days, and upon a good cause showing of the
21 commission in the extension order, or within such shorter time as the
22 commission shall approve. The commission shall issue a final order within
23 the 21-day period or within a 51-day period if an extension order has been
24 issued.

25 (5) The commission may resume price cap regulation of a local
26 exchange carrier, deregulated under this subsection upon finding, after a
27 hearing, that such carrier has: Violated minimum quality of service
28 standards pursuant to subsection (1) of K.S.A. 66-2002, and amendments
29 thereto; been given reasonable notice and an opportunity to correct the
30 violation; and failed to do so.

31 (6) The commission on July 1, 2006, and on each date that any
32 service is deregulated, shall record the rates of each service which has
33 been price deregulated in each exchange.

34 (7) Prior to January 1, 2007, the commission shall determine the
35 weighted, statewide average rate of nonwireless basic local
36 telecommunications service as of July 1, 2006. Prior to January 1, 2007,
37 and annually thereafter, the commission shall determine the weighted,
38 average rate of nonwireless basic local telecommunications services in
39 exchanges that have been price deregulated pursuant to subsection (q)(1)
40 (B), (C) or (D). The commission shall report its findings on or before
41 February 1, 2007, and annually thereafter to the governor, the legislature
42 and each member of the standing committees of the house of
43 representatives and the senate which are assigned telecommunications

1 issues. The commission shall also provide in such annual report
2 information on the current rates for services provided by all
3 telecommunications carriers or other telecommunications service
4 providers regardless of the technology used to provide service in price
5 deregulated exchanges, service offerings provided by all
6 telecommunications carriers or other telecommunications service
7 providers regardless of the technology used and available in price
8 deregulated exchanges and the number of competitors in price deregulated
9 exchanges including, but not limited to, facilities based carriers,
10 commercial mobile radio service or broadband based service providers.

11 (8) For the purposes of this subsection:

12 (A) "Packages or bundles of services" means the offering of a local
13 telecommunications service with one or more of the following, subscribed
14 together, as one service option offered at one price, one or more call
15 management services, intraLATA long distance service, interLATA long
16 distance service, internet access, video services or wireless services.
17 Packages or bundles of services shall not include only a single residential
18 local exchange access line or up to four business local exchange access
19 lines at one location and intraLATA long distance service or interLATA
20 long distance service, or both;

21 (B) "local telecommunications service" means two-way voice service
22 capable of being originated and terminated within the exchange of the
23 local exchange telecommunications company seeking price deregulation of
24 its services, regardless of the technology used to provision the voice
25 service;

26 (C) "broadband network" means a connection that delivers services at
27 speeds exceeding two hundred kilobits per second in both directions;

28 (D) "prepaid telecommunications service" means a local service for
29 which payment is made in advance that excludes access to operator
30 assistance and long distance service;

31 (E) "facilities based carrier" means a telecommunications carrier or
32 entity providing local telecommunications service either wholly or
33 partially over its own network. Facilities based carrier shall not include
34 any radio communication services provider licensed by the federal
35 communications commission to provide commercial mobile radio services;
36 and

37 (F) "call management services" means optional telecommunications
38 services that allow a customer to manage call flow generated over the
39 customer's local exchange access line.

40 (r) (1) Upon complaint or request, the commission may investigate a
41 price deregulated service.

42 (2) The commission shall resume price cap regulation of a service
43 provided in any exchange area by placing it in the appropriate service

1 basket, as approved by the commission, upon a determination by the
2 commission that the conditions in subsection (q)(1)(C) or (D) are no
3 longer satisfied in that exchange area.

4 (3) The commission shall resume price cap regulation of business
5 services in any exchange meeting the conditions of subsection (q)(1)(B) by
6 placing it in the appropriate service basket, as approved by the
7 commission, upon a determination by the commission that the following
8 condition is not met: There are at least two nonaffiliated
9 telecommunications carriers or other entities, that are nonaffiliated with
10 the local exchange carrier, providing local telecommunications service to
11 business customers, regardless of whether the entity provides local service
12 in conjunction with other services in that exchange area. One of such
13 nonaffiliated carriers or entities shall be required to be a facilities-based
14 carrier or entity and not more than one such nonaffiliated carriers or
15 entities shall be a provider of commercial mobile radio services in that
16 exchange.

17 (4) The commission shall resume price cap regulation of residential
18 services in any exchange meeting the conditions of subsection (q)(1)(B) by
19 placing it in the appropriate service basket, as approved by the
20 commission, upon a determination by the commission that the following
21 condition is not met: There are at least two or more nonaffiliated
22 telecommunications carriers or other entities, that are nonaffiliated with
23 the local exchange carrier, providing local telecommunications service to
24 residential customers, regardless of whether the entity provides local
25 service in conjunction with other services in that exchange area. One of
26 such nonaffiliated carriers or entities shall be required to be a facilities-
27 based carrier or entity and not more than one such nonaffiliated carriers or
28 entities shall be a provider of commercial mobile radio services in that
29 exchange.

30 (s) The commission shall require that for all local exchange carriers
31 all such price deregulated basic intraLATA toll services be geographically
32 averaged statewide and not be priced below the price floor established in
33 subsection (k).

34 (t) Cost studies to determine price floors shall be performed as
35 required by the commission in response to complaints. In addition,
36 notwithstanding the exemption in subsection (b), the commission may
37 request information necessary to execute any of its obligations under the
38 act. In response to a complaint that a price deregulated service is priced
39 below the price floor set forth in subsection (k), the commission shall issue
40 an order within 60 days after the filing of the complaint unless the
41 complainant agrees to an extension.

42 (u) A local exchange carrier may petition for individual customer
43 pricing. The commission shall respond expeditiously to the petition within

1 a period of not more than 30 days subject to a 30-day extension.

2 (v) No audit, earnings review or rate case shall be performed with
3 reference to the initial prices filed as required herein.

4 (w) As required under K.S.A. 66-131, and amendments thereto, and
5 except as provided for in subsection (c) of K.S.A. 66-2004, and
6 amendments thereto, telecommunications carriers that were not authorized
7 to provide switched local exchange telecommunications services in this
8 state as of July 1, 1996, including cable television operators who have not
9 previously offered telecommunications services, must receive a certificate
10 of convenience based upon a demonstration of technical, managerial and
11 financial viability and the ability to meet quality of service standards
12 established by the commission. Any telecommunications carrier or other
13 entity seeking such certificate shall file a statement, which shall be subject
14 to the commission's approval, specifying with particularity the areas in
15 which it will offer service, the manner in which it will provide the service
16 in such areas and whether it will serve both business customers and
17 residential customers in such areas. Any structurally separate affiliate of a
18 local exchange carrier that provides telecommunications services shall be
19 subject to the same regulatory obligations and oversight as a
20 telecommunications carrier, as long as the local exchange carrier's affiliate
21 obtains access to any services or facilities from its affiliated local
22 exchange carrier on the same terms and conditions as the local exchange
23 carrier makes those services and facilities available to other
24 telecommunications carriers.

25 (x) Any local exchange carrier with a majority of the carrier's local
26 exchange access lines in the state price deregulated pursuant to subsection
27 (q) may elect to no longer be regulated as a local exchange carrier and, not
28 withstanding any other provisions, upon such election shall instead be
29 regulated as a telecommunications carrier, except as provided in this
30 subsection. A local exchange carrier making such election shall be referred
31 to as an "electing carrier." A local exchange carrier may make such
32 election by providing the commission with at least 90 days' written notice
33 of election. The notice of election shall include a verified statement that a
34 majority of the carrier's local exchange access lines are price deregulated.
35 Such notification shall include information regarding the number of access
36 lines the carrier serves in each of the carrier's exchanges. Within 45 days
37 of receipt of such a notification, the commission shall review the
38 information concerning the carrier's local exchange access lines and upon
39 failure of the commission, within 45 days of receipt of the notification, to
40 determine that a majority of such lines of the carrier are not price
41 deregulated the commission shall designate the carrier as an electing
42 carrier.

43 (y) (I) Notwithstanding the provisions of this act, and subject to any

1 applicable exemption from interconnection generally, a
2 telecommunications carrier is entitled to interconnection with a local
3 exchange carrier or an electing carrier to transmit and route voice traffic
4 between both the telecommunications carrier and the local exchange
5 carrier or electing carrier regardless of the technology by which the voice
6 traffic is originated by and terminated to a consumer. The commission
7 shall afford such telecommunications carrier all substantive and procedural
8 rights available to such carrier regarding interconnection pursuant to 47
9 U.S.C. §§ 251 and 252 as in effect on the effective date of this act.
10 Nothing in this subsection shall be construed to confer jurisdiction upon
11 the commission for services that are exempt from or otherwise not subject
12 to commission jurisdiction.

13 (2) (A) *Upon request by a telecommunications carrier, a local*
14 *exchange carrier or electing carrier shall establish a technically feasible*
15 *internet protocol to internet protocol (IP) interconnection with such*
16 *telecommunications carrier within 180 days of such request. The IP*
17 *interconnection shall be in the form and capacity requested by the*
18 *telecommunications carrier for the exchange of all voice traffic regardless*
19 *of the technology used to provide the voice service.*

20 (B) *The telecommunications carrier may choose one technically*
21 *feasible location to interconnect, unless the telecommunications carrier*
22 *and the local exchange carrier or electing carrier mutually agree to*
23 *additional locations to interconnect with the facilities and equipment,*
24 *including the softswitch or network edge router used for the exchange of*
25 *all voice traffic by the local exchange carrier or electing carrier or any of*
26 *the carriers' affiliates that provide voice service.*

27 (C) *A local exchange carrier or electing carrier shall be responsible*
28 *for all costs incurred to deliver or receive traffic from the interconnection*
29 *locations, including any protocol conversion costs necessary to exchange*
30 *traffic in the format requested by the telecommunications carrier, as well*
31 *as the costs for the requesting telecommunication carrier's share of the*
32 *direct interconnection facility connecting the two networks. Upon request,*
33 *the local exchange carrier or electing carrier shall provide IP*
34 *interconnection at cost-based rates pursuant to the commission's*
35 *jurisdiction subject to 47 U.S.C. §§ 251 and 252 as in effect on July 1,*
36 *2014, and pursuant to this subsection.*

37 (D) *Pursuant to this subsection, the commission has the authority to*
38 *resolve disputes between local exchange carriers or electing carriers and*
39 *telecommunications carriers regarding interconnection, regardless of the*
40 *technology used to provide any or all of the voice traffic or*
41 *interconnection.*

42 (z) (1) Telecommunications carriers and electing carriers shall not be
43 subject to regulation by the commission for the provision of

1 telecommunications services, except that the commission shall retain the
2 authority and jurisdiction to authorize applications, suspension or
3 cancellation of certificates of public convenience and necessity to provide
4 local exchange or exchange access service in the state of Kansas, but the
5 commission may not use this certification authority to regulate
6 telecommunications carriers or electing carriers beyond the jurisdiction
7 provided the commission in this subsection.

8 (2) Nothing in this section shall be construed to restrict the
9 commission's authority and jurisdiction to:

10 (A) Carry out the commission's obligations established in 47 U.S.C.
11 §§ 251 and 252;

12 (B) implement rules delegated to the state by the federal
13 communications commission or federal law; or

14 (C) regulate intrastate switched access rates, terms and conditions,
15 including the implementation of federal law concerning intercarrier
16 compensation.

17 (3) The commission shall retain the authority and jurisdiction to:

18 (A) Carry out the commission's obligations pursuant to the
19 underground utilities damage prevention act, K.S.A. 66-1801 et seq., and
20 amendments thereto, and the overhead power line accident prevention act,
21 K.S.A. 66-1709 et seq., and amendments thereto;

22 (B) require the reasonable resale of retail telecommunications
23 services, as well as unbundling and interconnection obligations as required
24 by K.S.A. 66-2003, and amendments thereto;

25 (C) administer the Kansas lifeline service program pursuant to K.S.A.
26 66-2006, and amendments thereto;

27 (D) administer contributions to the Kansas universal service fund
28 pursuant to subsection (a) of K.S.A. 66-2008, and amendments thereto;

29 (E) assess costs and expenses pursuant to K.S.A. 66-1501 et seq., and
30 amendments thereto, but the commission shall not use this authority to
31 regulate telecommunications carriers or electing carriers beyond the
32 jurisdiction provided the commission in this subsection;

33 (F) request information from telecommunications carriers and
34 electing carriers pursuant to K.A.R. 82-1-234a(b) and subject to the
35 provisions of K.A.R. 82-1-221a and K.S.A. 66-1220a, and amendments
36 thereto, but the commission shall not use this authority to regulate
37 telecommunications carriers or electing carriers beyond the jurisdiction
38 provided the commission in this subsection; and

39 (G) administer consumer complaints against telecommunications
40 carriers and electing carriers to investigate fraud, undue discrimination and
41 other practices harmful to consumers, but the commission shall not use
42 this authority to regulate telecommunications carriers or electing carriers
43 beyond the jurisdiction provided the commission in this subsection.

1 Sec. 2. K.S.A. 2013 Supp. 66-2005 is hereby repealed.

2 Sec. 3. This act shall take effect and be in force from and after its
3 publication in the statute book.