

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2326

As Amended by House Committee on
Commerce, Labor and Economic Development

Brief*

HB 2326, as amended, would exempt Voice over Internet Protocol (VoIP), Internet Protocol enabled service (IP-enabled service), or both from the jurisdiction, regulation, or supervision of the State or any political division. VoIP would be subject to the requirements of the Kansas Universal Service Fund and the requirements of the Kansas 911 Act.

The bill would not modify:

- The requirements of the Video Competition Act;
- The authority of the Kansas Corporation Commission (Commission) provided under 47 U.S.C. §§ 251 and 252, as in effect on the effective date of the bill;
- The authority of the State or a political subdivision pertaining to public rights of way; and
- The rights and obligation of subsection (y) of KSA 66-2005, pertaining to interconnection between carriers.

Background

Representatives of the Voice on the Net (VON) Coalition, AT&T, Cox Communications, the Kansas Cable

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Telecommunications Association, Verizon, Century Link, and the American Legislative Exchange Council spoke in favor of the bill. Proponents explained VoIP transmits information as data packets over the Internet, allowing several telecommunication services to be accessed remotely. On January 30, 2013, the Kansas Corporation Commission ruled it had authority to regulate fixed interconnected VoIP service under state utility laws.

A representative of Sprint provided neutral testimony, stating oversight by the Commission over interconnection agreements between competitive carriers and incumbent local exchange carriers (ILECs) is necessary to ensure a competitive retail market.

Representatives of the League of Kansas Municipalities and the City of Derby spoke as opponents, stating the bill would exempt the terms and conditions of local franchise fees and the use of public rights of way.

The House Committee on Commerce, Labor, and Economic Development amended the bill to:

- Specify the Commission's authority under the *U.S. Code*; and
- Specify that public rights would not be modified by the bill.

According to the fiscal note provided by the Division of the Budget, the bill, as introduced, would have no fiscal effect.