

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Vice-Chairman Tom Sloan at 9:05 a.m. on March 6, 2000 in Room 231-N of the Capitol.

All members were present except: Rep. Carl Holmes

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jo Cook, Committee Secretary

Conferees appearing before the committee: Lynne Holt, Legislative Research Department
Rep. Dennis McKinney, 108th District
Mike Reece, A. T. & T.
Doug Lawrence, Southwestern Bell Corporation
Mike Murray, Sprint United
Janette Luehring, Kansas Corporation Commission
Guy McDonald, Kansas Corporation Commission

Others attending: See Attached Guest List

Vice-Chairman Sloan asked the committee to review the copies of the minutes and action would be taken tomorrow. Also distributed to the committee were copies of the House Utilities Committee Rules. Lynne Holt distributed copies of a report on KAN-ED (Attachment 1) that included an Executive Summary and responses to questions previously asked.

Sub. HB 2743 - Expedited deployment of high-speed data transmission services

Lynne Holt, Legislative Research Analyst, provided an overview of the bill. She then responded to questions from Rep. Kuether, Rep. Loyd, Rep. Sloan, and Rep. Vining.

Copies of written testimony provided by Rolla Horton, Information Systems Manager for the First National Bank in Pratt (Attachment 2) were distributed to the committee.

Mike Reece, representing A. T. & T., provided testimony in opposition to **Sub. HB 2743** (Attachment 3). Mr. Reece stated that A. T. & T. believes this bill would discourage the deployment of alternative technologies and limit the benefits competition would bring to the customer.

Mr. Doug Lawrence, representing Southwestern Bell Telephone Company, testified as an opponent to **Sub. HB 2743** (Attachment 4). He explained that SBC opposed the bill for several reasons. They include: the bill conflicts with federal law regarding FCC rulings on access to Universal Service Funding, it would significantly pressure the size of the Kansas Universal Service Fund, it is discriminatory in who could access the fund for deployment of high-speed transmission services, it could be construed to relax current laws and regulations regarding deployment of high-speed transmission services in rural communities, and it could damage current deployment levels and access to services in rural communities.

Appearing as an opponent to **Sub. HB 2743**, Mr. Mike Murray, Director of Governmental Affairs for Sprint, testified (Attachment 5). Sprint is opposed to legislative mandates to deploy specific technologies or service capabilities by arbitrary deadlines and believes that is what this bill does. Mr. Murray stated that this bill could force Sprint to either make an uneconomic business decision or face unfair competition; could increase the size of the Kansas Universal Service Fund and would cause severe pricing distortions between the high and low cost areas.

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CONTINUATION SHEET

a.m.

Janette Luehring, Chief of Telecommunications for the Kansas Corporation Commission, provided testimony in a neutral position on **Sub HB 2743** (Attachment 6). Ms. Luehring highlighted some concerns of the KCC and explained possible amendments.

Mr. Guy McDonald, Kansas Corporation Commission, testified as a neutral party to **Sub HB 2743** (Attachment 7). Mr. McDonald stated that the FCC is the appropriate rule making body for the issues covered in the bill and that the FCC would welcome the committee's direct input.

Rep. Dennis McKinney, 108th District, appeared in support of **Sub HB 2743**. Rep. McKinney distributed copies of an editorial from the Mid-February 2000 Farm Journal magazine (Attachment 8). Rep. McKinney referred to Mr. Horton's testimony previously distributed.

The conferees responded to questions from Rep. Alldritt, Rep. Dahl, Rep. Myers, Rep. Klein, Rep. Vining, Rep. Toelkes, Rep. McClure, Rep. Loyd, Rep. Krehbiel, Ms. Holt, and Rep. Sloan.

Meeting adjourned at 10:55 a.m.

Next meeting will be Tuesday, March 7, 2000.