ATTACHMENT #7 KCTA AMENDMENT

Proposed Amendment
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Revisor of Statutes Office

Attach 7

2015 Kansas Statutes

ATTACHMENT KCTA

66-2004. Rural telephone companies; competition; certification. (a) Pursuant to subsection (f)(1) of section 251 of the federal act, the obligations of an incumbent local exchange carrier, which include the duty to negotiate interconnection, unbundled access, resale, notice of changes and collocation, shall not apply to a rural telephone company unless such company has received a bona fide request for interconnection, services or network elements and the commission determines that such request is not unduly economically burdensome, is technically feasible and preserves and enhances universal service.

(b) On July 1, 1996, the commission shall initiate a rulemaking procedure to adopt guidelines to ensure that all telecommunications carriers and local exchange carriers preserve and enhance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services and safeguard the rights of consumers. The preservation and advancement of universal service shall be a primary concern. The commission shall issue the guidelines no later than December 31, 1996.

(c) Pursuant to subsection (f) of section 253 of the federal act, any telecommunications carrier that seeks to provide telephone exchange service or local exchange access in a service area served by a rural telephone company shall meet the requirements of subsection (e)(1) of section 214 of the federal act for designation as an eligible telecommunications carrier for that area before being permitted by the commission to provide such service; however, the guidelines shall be consistent with the provisions of subsection (f) (1) and (2) of section 253 of the federal act.

(d) The commission may grant a certificate to provide local exchange or exchange access service in the service area of a rural telephone company if, among other issues to be considered by the commission, the application for such certificate complies with commission guidelines issued pursuant to subsection (b).

(e) Any restrictions established by the commission for rural entry of competitors or for resale and unbundling of services shall not apply to any service area of a rural telephone company if such company, or an entity in which such company directly or indirectly owns an equity interest of 10% or more, provides local exchange or exchange access service, as authorized under K.S.A. 2002 Supp. 60-2003 and this section, in any area of the state outside of its local exchange areas, as approved by the commission on or before January 1, 1996, and outside of any area in which it is the successor to the local exchange carrier serving such area on or before January 1, 1996.

History: ~~L. 1996, ch. 268, § 5; July 1.~~

(f) Any local exchange carrier electing pursuant to K.S.A. 66-2005(b), and amendments thereto, to operate under traditional rate of return regulation, or an entity in which such carrier directly or indirectly owns an equity interest of 10% or more, shall not use any KUSF support, other than any funding currently allowed under existing state law or regulation, for the purposes of providing telecommunication services in an area outside the local exchange carrier's authorized service area if there is at least one telecommunications provider that is not eligible to receive KUSF funding that is currently providing telecommunication services in that area.

(g) On and after July 1, 2016, a local exchange carrier electing to operate under rate of return regulation pursuant to K.S.A. 66-2005(b), and amendments thereto, or an entity in which such carrier directly or indirectly owns an equity interest of 10% or more, that begins offering telecommunication services in an area outside of the carrier's authorized service area shall be subject to an audit by the commission of all KUSF support the carrier is receiving in the carrier's authorized service area if at least one telecommunications provider that is not eligible to receive KUSF funding is currently providing telecommunication services in that area at the time the carrier, or an entity in which such carrier directly or indirectly owns an equity interest of 10% or more, begins offering competitive telecommunication services. Such audit shall commence within 12 months of the services being offered and shall be based on such carrier's embedded costs, revenue requirements, investments and expenses to determine the appropriate level of KUSF support in such carrier's authorized service area. The commission shall ensure that KUSF support is not being used to support the competitive telecommunication service offerings outside such carrier's authorized service area.