

Approved: April 2, 2002  
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:05 a.m. on February 18, 2002 in Room 526-S of the Capitol.

All members were present except: Representative Judy Morrison  
Representative Jerry Williams

Committee staff present: Robert Chapman, Legislative Research  
Dennis Hodgins, Legislative Research  
Mary Torrence, Revisor of Statutes  
Jo Cook, Administrative Assistant

Conferees appearing before the committee: Eva Powers, Kansas Corporation Commission  
Richard Lawson, Sprint  
Nelson Krueger, Western Wireless  
Steve Kearney, Alltel  
Jim Yonally, Verizon Wireless

Others attending: See Attached List

Chairman Holmes announced that the committee would be working bills on Thursday and would have a hearing on the open records bill Friday.

**HB 2754 - Telecommunications; affordable rates; quality of service; standards**

Chairman Holmes reconvened the hearing on **HB 2754**.

Eva Powers, Assistant General Counsel for the Kansas Corporation Commission, appeared before the committee in opposition to **HB 2754 (Attachment 1)**. Ms. Powers provided background information on the bill followed by a detailed analysis of the proposed legislation. Ms. Powers stated that it would have the effect of reversing many Commission decisions carrying out the 1996 Telecommunications Act. Additionally, Ms. Powers explained that a current docket on file with the Commission could effect the methodology used to determine affordable rates for residential service in rural areas. Ms. Powers concluded Staff's remarks by noting that the scope of the bill and the complex interrelationship between state and federal law and operations makes it difficult to predict all consequences from the proposed changes. Ms. Powers responded to questions from the committee.

Richard Lawson, State Executive for External Affairs in Kansas and Missouri for Sprint, spoke to the committee in opposition to **HB 2754 (Attachment 2)**. Mr. Lawson stated there were two items they believed would occur if this legislation passed. They are: deny consumers in rural Kansas the choice of wireless technology to meet their basic needs and that it will cause the Kansas Universal Service Fund to grow which could result in higher surcharges.

Nelson Krueger, appearing on behalf of Western Wireless Corporation, addressed the committee as an opponent to **HB 2754 (Attachment 3)**. Mr. Krueger listed four major issues they had concerns with: 1 - it creates hurdles intended to exclude entire classes of telecommunications carriers from participating in the KUSF; 2 - the cost of using the KUSF for high-speed data will be extraordinary; 3 - it would obliterate the progress the corporation commission has made in encouraging competition; and 4 - the restrictions are unlawful and preempted by federal law and regulation. Mr. Krueger responded to questions from the committee.

The hearing on **HB 2754** was recessed until February 19, 2002.

The meeting adjourned at 10:55 a.m.

The next meeting will be February 19, 2002.