

Approved: March 14, 2003
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:06 a.m. on January 29, 2003 in Room 526-S of the Capitol.

All members were present except: Representative Annie Kuether
Representative Cindy Neighbor

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

Conferees appearing before the committee:
Brian Lippold, Adelphia Business Solutions
Rachel Reiber, Everest Communications
Gene Watkins, Covad Communications
Steve Sauder, Valu-Line/Birch
Peter Mirakian, Sage Telecom
Jeff Wick, Nex-Tech

Others attending: See Attached List

**HB 2019 - State Corporation Commission prohibited from regulating high speed Internet access/
broadband service**

Brian Lippold, General Manager for Adelphia Business Solutions, testified in opposition to **HB 2019 (Attachment 1)**. Mr. Lippold told the committee that the company has invested more than \$40 million dollars and 50 jobs in Wichita, just as the 1996 Act envisioned. He stated that the bill would jeopardize their access to wholesale UNE's and would reduce competition.

Rachel Reiber, Vice President of Regulatory and Government Affairs for Everest Connections, appeared as an opponent to **HB 2019 (Attachment 2)**. Ms. Reiber cited three reasons they were opposed to the bill; first - it is contrary to public interest to favor one large company to the detriment of others; second - they believe the motive for the legislation is to eliminate competition; and third - the legislation would allow SBC to restrict access to current facilities.

Gene Watkins, Senior Counsel for Covad Communications, addressed the committee in opposition to **HB 2019 (Attachment 3)**. Mr. Watkins stated that Covad was the first company in the nation to deploy DSL services, even though the Bell companies had possessed the technology for over a decade. He explained that, should this bill pass, it would destroy the competition and remove competitive choice, innovative products and services and affordable pricing from consumers in the state.

Steve Sauder, consultant to Birch, provided testimony in opposition to **HB 2019 (Attachment 4)**. Mr. Sauder stated that the bill would eliminate any consideration for starting up a competitive telephone company. He also expressed concern about the support SBC stated they had from several Chamber of Commerce. Mr. Sauder told the committee that many Chambers supported broadband, but not necessarily in the way the bill suggests.

Appearing as an opponent to **HB 2019** on behalf of Sage Telecom, Peter Mirakian provided a brief history of the company (Attachment 5). Mr. Mirakian stated that the continued availability of UNE-P at cost based pricing is imperative if they are to continue to provide a competitive choice to customers in areas with a low concentration of population. Therefore, the continued regulation of UNE-P is critical to their ability to serve smaller markets. Mr. Mirakian stated that the bill could end voice competition in rural Kansas.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:06 a.m. on January 29, 2003.

Jeff Wick, Chief Operating Officer of Nex-Tech, testified in opposition to **HB 2019** (Attachment 6). Mr. Wick stated that this bill, if enacted, will curtail access to unbundled network elements (UNE) and would limit the authority of the Corporation Commission to regulate the provision of UNE's. He suggested that, should this legislation be passed, that a transition period be implemented to avoid disruption of service.

Mr. Lippold, Ms. Reiber, Mr. Watkins, Mr. Sauder, Mr. Mirakian, and Mr. Wick responded to questions from the committee.

The meeting adjourned at 10:53 a.m.

The next meeting will be Thursday, January 30, 2003 at 9:00 a.m.