

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on March 16, 2011, in Room 785 of the Docking State Office Building.

All members were present.

Committee staff present:

Matt Sterling, Office of the Revisor of Statutes  
Cindy Lash, Kansas Legislative Research Department  
Corey Carnahan, Kansas Legislative Research Department  
Renaë Hansen, Committee Assistant

Conferees appearing before the Committee:

Kimberly Svaty-Gencur/ITC  
Scott Schneider, Cox  
Ward Lloyd, Commissioner, KCC  
Ben Foster, Kansas Rural Independent Telephone Companies  
Ron Gaches, SPRINT  
Dave Springe, CURB  
Christine Aarnes, KCC  
David Wilson, AARP

Others attending:

Forty eight including the attached list.

Announcement by :

Kimberly Svaty-Gencur, ITC, (Attachment 1) offered information to the committee announcing the siting permit filing they made to the KCC for the V-Plan transmission line project. She spoke about the process of the filing and the proposed time-line.

Questions were asked and comments made by Representative Joe Seiwert.

Continued Hearing on:

**SubSB72-Telecommunications**

Neutral:

Scott Schneider, Cox, (Attachment 2), offered testimony from a neutral position to **SubSB72** due to the amendments that were added to the bill in the Senate Utilities committee. He explained the two amendments that were added that made the bill more amicable to them. Without the amendments, they would be opposed to the bill.

Opponents:

Christine Aarnes, KCC, (Attachment 3) spoke to the committee in regards to **SubSB72** from an opposing position. The testimony broke out the different areas of the issue explaining each: price deregulation for "electing carriers", rural/urban rate comparability for residential service, requirement to offer single residential access line, resale obligation, lifeline, uniform price requirement, price floor restriction, quality of service obligation, and carrier of last resort (COLR). They noted that in the absence of solid evidence of effective, sustainable competition and in an effort to preserve and promote the public policy goals embedded in the Telecommunication Act of 1996, the commission staff recommended **SubSB72** be rejected.

Ben Foster, Kansas Rural Independent Telephone Companies, (Attachment 4), offered testimony to the committee in opposition to **SubSB72**. They noted that bill would substantially degrade the valuable principle of universally available and affordable communications service.

## CONTINUATION SHEET

The minutes of the House Energy and Utilities Committee at 9:00 A.M. on March 16, 2011, in Room 785 of the Docking State Office Building.

Ron Gaches, SPRINT, (Attachment 5) spoke in opposition to **SubSB72**. He believes that this bill is much more complex than it has been made out to be by both sides. He noted that this is too important an issue to just pass it through without understanding all the implications of what this bill intends to do.

Dave Springe, CURB, (Attachment 6), offered testimony in opposition to **SubSB72**. He noted that we have modernized pricing in Kansas in a broad spectrum of technological areas. Contained in the testimony is a brief entitled, "Why 'Competition' is Failing to Protect Consumers."

Ward Lloyd, Commissioner, KCC, (Attachment 7), spoke on behalf of himself, in opposition to **SubSB72**. He noted that the bill is designed to allow AT&T to mix Broadband with traditional telephone service. This bill would allow them freedom from their obligation to support their traditional, wire-line system. He noted that Kansas has a long-term commitment to the universal availability of a quality telephone system, and the affordability of the provided services. Adding broadband to the rural mix is important to get right and notes that we need to preserve and build on the present wire-line system to facilitate broadband deployment and availability. Attached to his testimony is a summary of the issues from FCC's USF/ICC NPRM to promote broadband. Included in Mr. Lloyd's testimony is a white paper entitled, "Carriers of Last Resort, Eligible Telecommunications Carriers, and State Administrative Roles." He includes a breakdown of AT&T exchanges by size and grays the areas that are deregulated. Additionally, he included an article from the Association of Communications Engineers entitled, "Good Engineering Practices Relative to Broadband Deployment in Rural Areas." He believes that a proper assessment needs to be determined before any law is enacted changing the current law, either through a special legislative committee or through a KCC docket.

Ernie Cusling, spoke on behalf of David Wilson, AARP, (Attachment 8) offered testimony in opposition to **SubSB72** and urges the committee to not pass out this legislation. He notes the deregulation permitted in this bill is not justified by current market conditions and will have a detrimental effect on consumers, especially those who live on lower and fixed incomes.

Written Opponents:

Mitzi McFatrach, Kansans for Better Care, (Attachment 9) offered written testimony in opposition to **SubSB72**. She noted that this bill would remove the protections from price increases currently in place and assurance of service will be gone for elders living in non-urban counties of Kansas.

Questions were asked and comments made by Representatives: Nile Dillmore, Mike Burgess, and Joe Seiwert.

The hearing on **SubSB72** was suspended.

The next meeting is scheduled for March 17, 2011.

The meeting was adjourned at 10:51 A.M.