

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on January 28, 2003 in Room 123-S of the Capitol.

All members were present except: Senator Pete Brungardt, absent
Senator Dave Kerr, excused

Committee staff present: April Holman, Legislative Research
Deb Hollon, Legislative Research
Mitch Rice, Revisor of Statutes
Norman Furse, Revisor of Statutes
Jodie Anspaugh, Secretary

Conferees appearing before the committee: Phill Kline, Attorney General
Bryan Brown, Office of the Attorney General
Joe Molina, Office of the Attorney General
John Houlihan, Department of Administration

Others attending: See attached list.

Chairperson Brownlee welcomed Attorney General Phill Kline to the committee. General Kline introduced Joseph Molina, Chief of No-Call, and Bryan Brown, Chief of Consumer Protection Division. General Kline signed four consent judgements this morning in No-Call issues. General Kline has implemented a new policy: he does not give out information on which companies his office is investigating. The investigations will be made public when the Attorney General's office files an action. The Attorney General's office will notify the committee when these occur.

Bryan Brown, Chief of Consumer Protection Division, testified before the committee. He explained the "four fouls and you're out" policy. When a company has four complaints filed against it, the Attorney General's office will begin investigating the company. Mr. Brown explained his five management priorities:

1. Study the breakdown on no-call registration across the state. Western Kansas is underrepresented on the list.
2. Enter into litigation against the most serious violators.
3. Offer consent judgements against all but the most egregious violators.
4. Merge No-Call with Telecommunications task force
5. Clarify the law for those companies that seek information about the No-Call law.

Mr. Brown answered questions about the "four strikes and you're out" policy.

Joseph Molina, Assistant Attorney General, Consumer Protection Division, testified before the committee.

CONTINUATION SHEET

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(Attachment 1) Mr. Molina explained the history of the No-Call law, passed in 2002. The AG's office first attempted to contract with the Direct Marketing Association to implement the list, then later contracted with GovConnect, who currently maintains the list. Telephone solicitors pay a fee to GovConnect to access the list.

Consumer registration commenced on October 1, 2002. As of January 21, 2003, a total of 474,771 residential telephone numbers are on the Kansas No-Call list. Eight-hundred-seventeen telephone solicitors have access to the list. The list became enforceable on November 1, 2002. In November 2002, 1,521 complaints were received. 772 were received in December, and 218 in the first 27 days of January 2003. The daily average number of complaints is 84.5.

To date, the Attorney General has collected \$30,000 from four companies for violations to the Kansas No-Call Act. Mr. Molina answered questions on the national no-call list, consent judgements, and the spam bill.

Chairperson Brownlee requested that the committee introduce an amendment to the No-Call Act that relates to small business salespersons to allow them more flexibility in their efforts to sell. Sen. Emler moved to introduce the bill. Sen. Jordan seconded. The motion carried.

John Houlihan, Department of Administration, Director of Purchases, testified before the Committee on reverse auctions and on-line bidding. (Attachment 2) Mr. Houlihan distributed copies of the Reverse Auction Pilot Project (Attachment 3) and details of the Reverse Auction Pilot Study (Attachment 4). Reverse auction is "a procurement process following procedures approved by the director of purchases where bidders are invited to bid on specific goods through real-time electronic bidding, with the award being made to the lowest responsible and responsive bidder; during the bidding process, bidder's prices are revealed and bidders shall have the opportunity to modify their revealed bid prices and bidders shall have the opportunity to modify their bid prices for the duration of the time period established for the bid opening."

The Division of Purchases conducted their first reverse auction on May 14, 2002, with patrol cars and gun racks. A second reverse auction was conducted in July 2002, with truck mounted paint strippers.

Chairperson Brownlee requested to introduce a bill on reverse auction, including competitive bid. Sen. Kerr moved to introduce the bill. Sen. Jordan seconded. The motion carried.

Senator Jordan moved to approve the minutes from January 15 and 16, 2003. Senator Kerr seconded. The motion carried.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for January 29, 2003 at 8:30 a.m.