

Approved: 1-30-07

Date

## MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on January 25, 2007 in Room 526-S of the Capitol.

Committee members absent: Senator Mark Taddiken- excused

Committee staff present: Raney Gilliland, Kansas Legislative Research Department  
Tatiana Lin, KSU Legislative Fellow  
Mike Corrigan, Revisor of Statutes  
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Janet Buchanan, KCC  
Mike Murray, Embarq Corporation  
Colleen Jennison, Cox Communications  
Jason Talley, Nuvio  
Timothy Pickering, AT&T  
John Federico, Kansas Cable Telecommunications Association

Others in attendance: See attached list.

### Approval of Minutes

Moved by Senator Pyle, seconded by Senator Reitz, the minutes of the Senate Utilities Committee meetings held on January 23, 2007 and January 24, 2007, be approved. Motion carried.

Chair opened the hearing on

**S.B. 49** - Kansas Universal service fund, VoIP providers

Janet Buchanan, Chief of Telecommunications, Kansas Corporation Commission, provided background information regarding VoIP service, a summary of decisions of the FCC and a summary of the current proceedings before the Commission. (Attachment 1)

### Proponents

Mike Murray, Director of Governmental Affairs, Embarq Corporation, stated Embarq's position is that the Legislature should set policy as it pertains to VoIP support of the KUSF. The rules should be the same for everyone who uses the "interconnected" wireline telephone network. (Attachment 2)

### Opponents

John Federico, Kansas Cable Telecommunications Association, voiced his concern that legislation requiring VoIP providers to contribute to the KUSF is premature due to the unresolved issues surrounding the FCC's Interim Order and the open Docket at KCC. (Attachment 3)

Colleen Jennison, Cox Communications, believes there are too many unanswered questions regarding how the courts and the FCC will rule on this case and how those decisions may affect state-specific universal service funds. She also felt that any legislative action would be premature. (Attachment 4)

Jason Talley, CEO of Nuvio Corporation, stated there are a number of outstanding legal issues surrounding the classification of VoIP as well as pending decisions at the FCC regarding the treatment of VoIP traffic. He noted all of these issues should be resolved prior to Kansas enacting a bill such as **S.B. 49**. (Attachment 5)

Timothy Pickering, General Attorney, AT&T Kansas, stated the AT&T's position is that the KCC has ample authority under existing Kansas law to adopt the fair and equitable numbers- and connections- based approach. It was recommended the legislature monitor this issue and request an update from KCC in 2008.

(Attachment 6)

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on in Room 526-S of the Capitol.

KCC agreed (1) to provide a map of the area of service providers who are voluntarily paying KUSF, and (2) provide a list of known VoIP providers. KCC will also provide information on the extent of broadband deployment.

Chair closed hearing on **S.B. 49**.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 6