

Approved: Carl Dean Holmes
Date 4/29/94

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes at 12:00 p.m. on March 21, 1994 in Room 526-S of the Capitol.

All members were present except: Representative Grotewiel - Excused
Representative Powers - Excused
Representative Charlton - Excused

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Mary Torrence, Revisor of Statutes
Shirley Wilds, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Chairperson Holmes opened the meeting by welcoming Legislative Research Department staff member Lynne Holt. He said Ms. Holt is staff for the Economic Development Committee, and she has been asked to brief the committee today due to her expertise pertaining to telecommunications.

Briefing on SB 591 and SCR 1627:

Lynne Holt. Ms. Holt presented background information and an overview of the regulation of telecommunications. (See Attachment #1) (Attachment #2)

Among topics Ms. Holt addressed were: 1) briefly explaining the concepts of regulation of public utility companies; 2) explaining various federal and state efforts to decontrol pricing of certain local telephone company services; 3) an overview of legislation before the Committee today; and 4) raised policy questions regarding the appropriate role of the Kansas Corporation Commission and the Legislature concerning telecommunications alternative regulation policies.

The primary focus was detailing the introduced version of **SB 591** and the Substitute for **SB 591**, and provisions in **SCR 1627**.

The Committee took advantage of Ms. Holt's expertise and made several inquiries in preparation for the upcoming hearings and eventual Committee debate.

The meeting adjourned at 1:20 p.m.

The next meeting is scheduled for March 21 at 3:30 p.m., 1994.



GUEST LIST

Committee: Energy and Natural Resources

12:00 - 1:30

Date: 3/21/94

NAME: (Please print)	Address:	Company/Organization:
R. Skoog	Topeka	KCATV
Eva Powers	"	MCI
Brian Lipow	Wichita	MULTIMEDIA (PERIOD) TELECOMMUNICATIONS
Rosa Puler	Topeka	KCPR
P. WOOLBY	EMERSON,	RETIRED
Harriet Lange	Topeka	KAB
Frank CARO, Jr.	Topeka	SWBT
Ann Diggs	Topeka	KCC
Eric Milstead	Topeka	CORB
Mike Warner	"	"
Lana Ryackberg	Topeka	KCC
Karen Makon Flanning	Topeka	KCC
Kevin Lee	"	"
Robert Francis	"	CGI
Kellynda Holmes	"	Leg.
John Peterson	Topeka	CGI
Janet Stubbbs	Topeka	STUBBS ASSOC.
Mike Reed	"	AT+T
Rob Forgy	"	KTA
Brian Hall	"	KCC
Jim Shelley	"	SWBT
Larry Dimmitt	"	SWBT
David Nichols	"	"
Susan Fox	"	"

MEMORANDUM

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REVISED
March 18, 1994

To: Senate Commerce Committee
From: Lynne Holt, Principal Analyst
Re: Background and Overview of Regulation of Telecommunications

This memorandum attempts to accomplish three things:

1. explain the basic concepts of regulation of public utility companies in a very abbreviated manner;
2. explain in an equally abridged manner various federal and state efforts to decontrol pricing of certain local telephone company services;
3. provide an overview of Sub. for S.B. 591 and S.C.R. 1627; and
4. raise a few policy questions about the appropriate role of the Kansas Corporation Commission and the Legislature concerning telecommunications alternative regulation policies.

I. Regulatory Concepts

The regulation of public utilities (natural gas, electrical, and telephone prior to the AT&T divestiture) is considered a substitute for competition when it is determined that competition is not as effective as market control. The underlying assumption is that a public utility operates at a lower unit cost under a monopoly than under competition. In theory, the reasons for the lower unit costs in a monopolistic environment are that:

1. the costly duplication of facilities is eliminated;
2. public utilities achieve decreasing average unit costs as output increases (the cost structure is dominated by a proportionately heavier investment in fixed assets than is the case with other businesses); and

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The intent of this rate design was to discourage cross-subsidization between the "baskets" while permitting pricing flexibility for more rationale rate structures for the services within each "basket."

Nebraska

On the state level, other experiments with decontrol began to surface. The most commonly cited experiment of this sort appears to be actions in Nebraska which relaxed regulation. In 1986, the Nebraska Legislature enacted LB 835 which moved the telecommunications industry in that state toward deregulation. It did not, however, totally deregulate the industry in that state. The salient features of the law are as follows: basic local telephone service is still maintained as a protected monopoly and local rates are capped by a 10 percent annual limit (for smaller companies, the percentage was 30 percent). Prior to changing rates, the telephone companies must provide notice and hold hearings. The Nebraska Public Service Commission can review a rate increase subject to consumer petition or if rates increase more than 10 percent per year. New services may be introduced and priced without a rate proceeding and tariffs of existing services may be changed independent of the size of the company's rate base or its rate of return. The Nebraska Legislature enacted a bill in 1991 that provided for, among other things, Commission review of a utility's windfall profits due to tax law changes.

How has this law affected the economic performance of telephone companies in Nebraska? According to one source, "Rate deregulation did not magically transform the industry for good or ill. Changes in pricing were mostly minor and gradual, with one exception. This fact is inconvenient for those who champion continued rate regulation, as well as for those who view regulation as a fundamental impediment to progress. . . . The pattern of change in Nebraska corresponds closely to the presence or absence of competition. In a geographically dispersed metropolitan and suburban area such as Lincoln, competition in intraLATA¹ toll markets eroded Lincoln's telephone's revenues and created strong pressures for a general restructuring. In Omaha, a telemarketing center and business hub, rate reductions concentrated on large-user access charges and toll services. In both areas profits have not reached abnormal levels and there are no signs of abuse in the less competitive markets. Rate deregulation thus provided an accurate reflection not of the actual cost of services as such, but of which services were subject to alternative supply and which were not."²

State Alternative Regulation Schemes

As of June, 1993, 26 states had adopted incentive plans based on revenue sharing or profit sharing, price caps, or some combination of sharing and price caps. Twenty-three states have deregulated, partially regulated or streamlined regulation for some or all of the telephone companies

¹The restructuring of AT&T obligated AT&T on January 1, 1984 to relinquish all interests in local traffic services -- at that time, the 22 Bell Operating Companies. These BOCs were grouped into seven independent regional holding companies, one of which is Southwestern Bell. The territory of each BOC was itself subdivided into local access and transport areas (LATAs). The BOCs were only allowed to carry those communications located within a single LATA (intraLATA). In Kansas, the local exchange carrier is the predominant carrier of long distance intraLATA services, although one may access the services of other operators (AT&T, GTE Sprint, or MCI) through use of an access number.

²Milton L. Mueller, *Telephone Companies in Paradise: A Case Study in Telecommunications Deregulation*, New Brunswick (U.S.A.): Transaction Publishers (1993), p. 173.

operating in their jurisdictions; and 12 states were considering some form of alternative regulation.³ With respect to state alternative regulation schemes that might address components of incentive plans and regulatory decontrol, states have engaged in what could be classified as three types of reform: (1) service-by-service reform; (2) incentive regulation; and (3) social contract regulation.⁴

Service-by-Service Reform. Service-by-service reform attempts to segregate the telephone company's products and processes into different categories and regulate each category differently. This categorization is generally based on the amount of competition believed to exist in each service. Newer and highly competitive services, such as paging, voice mail, and cellular telephony, may be deregulated, detariffed, and removed from the rate base. However, basic monopoly services, such as local exchange access, would generally be subject to rate of return regulation. Another category of partially competitive services might also be included. The AT&T pricing structure, discussed above, might be considered under this rubric.

Incentive Regulation. Incentive regulation allows the regulated telephone company to retain some of its extra profits when it makes more than the allowed rate of return. Whereas in the past a company would have been required to refund excess earnings to ratepayers, this type of regulation divides earnings between the company and its customers in accordance with a predetermined formula. The incentive is designed to give the telephone company an opportunity to earn more if it improves its productivity or attains a certain quality of service.

Social Contract Regulation. Social contract regulation is the product of an agreement between the state's regulators and the telephone company. The two parties arrive at a bargain which is supposed to be mutually beneficial to the state's consumers and the telephone company. Generally, the telephone company commits itself to certain social goals deemed desirable by the regulators, such as network upgrades or basic local service rate stability (or both) in exchange for the elimination of rate of return regulation. Social contracts generally divide themselves into two categories, one exempt from all pricing regulation and the other (usually basic local service) subject to some kind of constraint. For example, Nebraska's regulation scheme is a form of social contract. TeleKansas I and proposed TeleKansas II also could be classified under this category. In the four other states served by Southwestern Bell (the BOC service provider in Kansas), two states (Arkansas and Oklahoma) have no alternative regulation plans and are presently subject to traditional rate base/rate of return regulation. The other two states (Missouri and Texas) have a combination of social contract and incentive regulation which has involved a cap on their local rates in exchange for multi-year upgrade investment, and has provided for a sharing arrangement of profits (beyond a certain amount) between the company and its customers.⁵

What generally enables telephone companies to enter into social contract agreements or combination social contract/incentive regulation arrangements is that, given changes in telecommunications technology, the cost of providing service has declined. Therefore, telephone companies may realize considerable earnings, even with caps on local rates for several years, and can afford to make modernization investments in lieu of reducing local rates. The rationale is that ratepayers, as well as the

³National Regulatory Research Institute Update to the Maine and Missouri Reports on Alternative Regulation Plans in Telecommunications, June 1993, p. i.

⁴Ibid., pp. 44-47.

⁵Provided by Southwestern Bell, January, 1994.

company, in terms of its long-term earnings, can be expected to benefit from such improvements. In the states of Missouri and Texas, the BOCs participate in plans to return a portion of their profits to ratepayers, even though they have also committed a portion of their earnings to modernization programs. (The purpose here is not to suggest that such an arrangement should necessarily apply to the BOC in Kansas; this is a matter for others to decide based on an analysis of a variety of factors.)

Missouri

A 1987 law requires regulators to classify telecommunications companies as noncompetitive, transitionally competitive, or fully competitive. Regulators must also separately classify services in accordance with those categories. The nature and scope of deregulation depends on what company offers which services. Tariffs must be filed regardless of classification. Southwestern Bell began operating a three-year experimental regulatory framework, known as TeleFuture 2000, on January 1, 1990. This experiment allowed for ratepayer sharing of excess earnings, as noted above. Other provisions included Company investments in electromechanical switch replacement, party-line elimination, and M-Carrier replacement, in addition to frozen local and switched access rates and reductions in rates for touch tone, intraLATA long distance, switched access, WATS and 800 service, service connection charges, and mileage charges.

An order issued by the Missouri Public Service Commission on December 17, 1993 concluded that the Company must file tariffs to implement a revenue reduction of over \$84.6 million. While the Commission agreed in its order that the three-year experiment was a success, it also noted that "over the three-plus years since those rates were set, financial conditions and SWB's operations have changed. The Commission finds that those changes necessitate a consideration of SWB's revenue requirement under traditional ratemaking before any consideration of an alternative regulation plan can be made."⁶ The Commission also noted that it would agree to a modified Accelerated Modernization Plan, as outlined in the order.

Southwestern Bell responded to the Commission's order on December 23, 1993 with respect to various provisions addressed in the order. Concerning the issue of incentive regulation (exemplified by TeleFuture 2000), the company countered that the Commission focused narrowly on earnings rather than on the provision of quality services at affordable rates. The company also rejoined that it makes no sense to participate in a regulatory framework that involves large rate reductions every few years in between which the company is asked to freeze nearly all rates, share revenues, and make significant investments.

The Missouri Circuit Court stayed the Commission's order to require a reduction of \$84.6 million until the entire order could be reviewed on appeal.

A bill (H.B. 1477) with similar provisions to the introduced version of S.B. 591 was introduced at Southwestern Bell's request in the Missouri Legislature.

⁶Missouri Public Service Commission report and order, Case No. TO-93-192, p.6.

TeleKansas I

A modified version of TeleKansas I was approved in February of 1990 by an order of the Kansas Corporation Commission (Docket No. 166,856-U). The order issued by the Commission agreed, overall, to a change from rate base regulation to pricing regulation. For its part, Southwestern Bell agreed to embark in network modernization that was estimated to cost the company \$160 million over a five-year period. Other provisions were included as well: a permanent reduction of \$17 million in Bell's long distance rates; a reduction of \$2 million in access charges for long distance (intrastate interLATA); elimination of all basic 911 service charges; a reduction in service connection charges; a reduction in Touchtone rates; an establishment of a fund to help pay for basic local service in qualifying low-income households; and increases in directory assistance rates and rotary hunt business service. The order stipulated that the plan would last five years (to terminate in March, 1995), during which time neither the staff nor Southwestern Bell would file or support a general rate case proceeding to alter rates. A stipulation between the Company and Commission staff (Appendix A of the February, 1990 order) notes that: "This modified TeleKansas proposal presented in this Stipulation recommends an alternative regulatory approach but is not intended to deregulate SWBT's telecommunications services in Kansas." (No. 3, p. 2.) In that same stipulation, it was also agreed that during the five-year period, the TeleKansas impact and prices would be monitored. The intent was for staff and Southwestern Bell, depending upon the results of such evaluation, to jointly recommend to the Commission by the end of 1993 this or some other alternative regulatory plan. The same provision of the stipulation noted that "it is the intent of the parties not to merely return to rate base regulation at the end of five years." (No. 25, p. 9.) There appears to be a lack of consensus between the Commission staff and Company on "all aspects of the TeleKansas results," which explains why no joint recommendation has been submitted to the Commission for extending the TeleKansas I plan.⁷ This is also the reason why each party to the stipulation submitted its own set of recommendations (and not a joint set) for a TeleKansas I successor plan. Each set of recommendations is outlined below.

TeleKansas II

Southwestern Bell submitted a proposal to the Kansas Corporation Commission for TeleKansas II on January 3, 1994. The proposed plan would: commit the Company to a five-year network modernization program costing \$138 million for distance learning and telemedicine applications, public switched video service networks for educational video clusters, and backup fiber routing for all Company offices; a continued cap on basic local service rate schedules for residential and single line business for five years; a continuation of flexible pricing procedures, with the addition of new discretionary services as introduced; and several other provisions. With respect to continued price regulation, the Company proposed: a continued moratorium on rate base/rate of return regulation for at least the next five years; "specific exogenous language to the TeleKansas plan to allow relief for both the Commission and SWBT for a change in SWBT's cost structure that is at the direction and control of governmental authorities, such as tax rate, accounting, and separations changes"; and automatic annual renewal of TeleKansas II without an earnings review at the end of the five-year period provided that the Company commits to a continued cap on residential and single line business rate schedules. The Company also proposed "that should the Commission determine that the same or a similar service as that provided by SWBT is being offered by another provider in Kansas, that the SWBT service be subject to the same regulatory requirements as apply to such other competitive providers." Finally, the Company

⁷"TeleKansas Status Update and Proposal," submitted to the Kansas Corporation Commission by Southwestern Bell on January 3, 1994.

requested flexibility to change depreciation rates to FCC levels, and adopt FCC depreciation ratemaking simplification processes.

The staff of the Commission, for its part, submitted its own set of recommendations to the Commission. In that submittal, staff observed that the Company's rates are unreasonable and result in revenues which exceed the Company's revenue requirements by some \$22.6 million. Given that excess, staff recommended that the Company be required to adjust its rates to reasonable levels at the expiration of TeleKansas and as a precondition for any successor alternative regulatory plan and that a hearing be ordered on those rates. Staff recommended at that same hearing that details be considered for a successor alternative regulatory plan for the Company. Staff further noted that TeleKansas I was acceptable and could be continued until January 1, 1999, with (using staff's terminology) one "major" modification and two "minor" ones. The major modification recommended in staff's submittal is an earnings sharing mechanism which would allow ratepayers "to benefit from declining costs of providing service." An alternative would be for a shorter duration for the successor plan (to terminate after two years on January 1, 1997 instead of after four years on January 1, 1999) subject to serious evaluation of a sharing mechanism at that time. The other proposed modifications refer to procedural matters.

At this juncture, it should be noted that, comparable to the situation in Missouri, no agreement between the Kansas Corporation Commission and the Company exists as to the specific provisions to be included in the successor to the first alternative regulation program (TeleKansas I). The deliberation process is, however, somewhat more advanced in Missouri than in Kansas, in that the Missouri Public Service Commission has already issued an order, discussed above, taking a position on the proposed successor to the initial alternative regulation plan in that state (TeleFuture 2000). No order has been issued to date by the Kansas Corporation Commission articulating a position on the proposed TeleKansas II plan. The most recent Commission action on this issue is the staff submittal containing recommendations for a successor plan, addressed above.

III. Overview of Sub. for S.B. 591 and S.C.R. 1627

Introduced Version of S.B. 591 . The introduced version of S.B. 591 was requested by Southwestern Bell Telephone Company. This version of the bill would have provided relaxed regulation to all telecommunications public utilities, under the jurisdiction of the Kansas Corporation Commission, that would have agreed to a cap on basic local rates that were in effect on December 31, 1993. In addition to such agreement, Southwestern Bell would have had to agree to make capital expenditures of approximately \$138 million, above normal construction investment, spread over a period of not less than five years. The bill would have allowed a telephone company that is party to such agreement to increase its local rates under certain conditions. The bill also would have required the Kansas Corporation Commission to exempt the services of a telephone company from regulation under certain conditions.

Sub. for S.B. 591. After all the testimony on the introduced version of the bill had been given, the Chairperson of the Senate Commerce Committee appointed a subcommittee to address the conferees' concerns and make recommendations on the bill. The result of this review was proposed legislation, further modified by the full Senate Committee and Senate Committee of the Whole, to extend TeleKansas I for two years (instead of proposing TeleKansas II for five years, as specified in the introduced version of S.B. 591), provided that Southwestern Bell commit to a capital expenditures investment of not less than \$56 million nor more than \$64 million. The manner and amount would be

determined by an agreement between the Company and the Corporation Commission. An earnings audit would not be conducted for the purpose of requiring rate reduction prior to January 1, 1996.

In contrast to the introduced version of the bill, Sub. S.B. 591 would apply only to Southwestern Bell -- the only company party to TeleKansas I (other jurisdictional telecommunications public utilities would have been included in the introduced version); the capital expenditures investment would be reduced to reflect a two-year instead of a five-year commitment; terms and conditions of regulation would be those contained in TeleKansas I (which to some extent differ from those proposed for TeleKansas II, as reflected in the introduced version); and the Corporation Commission's regulatory authority would not be altered with the exception of the TeleKansas I extension stipulated in Sub. S.B. 591 (opponents of the bill contended that the introduced version of the bill, even with the Company's proposed amendatory language, would have altered the Commission's regulatory oversight beyond the alternative regulatory scheme proposed in the bill). Finally, no provision for an earnings audit was included in the introduced version of the bill; however, it is authorized in Sub. S.B. 591.

In addition to proposed substitute language for the bill, discussed above, the subcommittee proposed, and the full Committee and Senate Committee of the Whole further modified, a concurrent resolution.

S.C.R. 1627

Specifically, S.C.R. 1627 provides:

1. direction to Kansas Inc., through its Telecommunications Action Planning Committee, to develop a statewide strategic plan for telecommunications;
2. direction to Kansas Inc. to contract for the development of a report to identify trends in telecommunications technologies and services; and
3. direction to the Kansas Corporation Commission to open one or more generic dockets to investigate the level of competition for jurisdictional telecommunications services.

Information derived from the reports and findings of Kansas Inc. and the Corporation Commission would be used by the Commission to formulate a successor alternative regulation plan to take effect after March 1, 1997.

1. Kansas Inc. Statewide Strategic Plan for Telecommunications. The plan of the Telecommunications Action Planning Committee must contain suggestions, of an advisory nature, for future action by the Legislature, the Corporation Commission, and telecommunications service providers. The Committee must provide two written reports to the Legislature -- an interim report to be submitted to the 1995 Legislature and a final report to be submitted by March 1, 1996. Topics to be addressed by the Committee include: a definition of the term "telecommunications infrastructure" and a procedure for possible modification of that definition; a statewide inventory of the existing telecommunications infrastructure and an assessment of the telecommunications needs of end users; and identification of applications for telecommunications of importance to the state and a method of setting development priorities. The Committee must formulate recommendations to the Governor, the Legislature, and the Corporation Commission on key concepts and changes, to be incorporated into state regulatory policies

and policies related to the state information network. Among those recommendations would be the form of regulation that would be appropriate for services which remain regulated; such recommendation would be based on generic docket findings of the Corporation Commission (see No. 3 below).

The Kansas Inc. Board of Directors would be authorized to reconfigure the Telecommunications Action Planning Committee (a committee which was established by Kansas Inc. in 1993). There would be representation from state agencies, local governmental units, service providers, and end users, as specified in the resolution. In addition, six legislators would be appointed to the Committee -- three Republicans and three Democrats, three from the Senate and three from the House. Legislative members would receive compensation and mileage; nonlegislative members could only receive travel and other expenditures upon approval of the President of Kansas Inc. Kansas Inc. and the Kansas Legislative Research Department would provide committee staff, as needed. Subject to appropriations, the Kansas Inc. Board of Directors would be authorized to hire a consultant to provide technical assistance, frame policy issues, and draft necessary committee reports. The Board would also be authorized to appoint subcommittees to study any issues raised in formulating the strategic plan.

2. Report on Trends in Telecommunications Technologies and Services. In addition to overseeing the statewide strategic plan, Kansas Inc. is directed to contract for the development of a report identifying present and anticipated trends in telecommunications technologies and services and their economic impact on end users in Kansas. Contractual services would be subject to appropriations. The report would be submitted to the 1995 Legislature.

3. Generic Dockets to Investigate the Level of Competitive Services. The Kansas Corporation Commission is directed to open a generic docket or generic dockets to investigate the level of competition for each regulated or flexibly regulated service under its jurisdiction and to adopt procedures to assess competition on a periodic basis. In addition to assessing competition, the Commission would address the issues of universal service, basic telephone service, quality of telecommunications services, and lifeline telephone service. The Commission would report its findings to the Senate Commerce Committee, the House Economic Development Committee, and the Joint Committee on Computers and Telecommunications, as well as to the Telecommunications Action Planning Committee of Kansas Inc. no later than March 1, 1995.

IV. POLICY QUESTIONS

Finally, there are two major policy questions that the Committee and conferees might wish to address in their remarks during the hearings.

First, TeleKansas I was established in an order issued by the Commission. Sub. for S.B. 591 proposes to extend the provisions of the order in statute. What are the implications of codifying such provisions in statute?

Second, on the one hand, regulators are often considered an impediment for telephone companies that are faced with daunting competition by less regulated or nonregulated providers for the same services. Regulators may be criticized for not responding expeditiously to allow the regulated company to price its services competitively in the rapidly changing market of communications services. On the other hand, regulators are expected to balance various, often conflicting needs:

1. the need for the regulated telephone company to be ensured the opportunity to realize a reasonable return on investment so that it can provide high quality and up-to-date services to all groups of ratepayers;
2. the need to ensure that basic local telecommunications service is affordable and accessible to all ratepayers, and that ratepayers also are not subsidizing through their rates the costs associated with deregulated services, and that ratepayers have recourse to remedies if regulated basic local telecommunications service is of substandard quality (as they would have no choice but to use such services); and
3. the need to ensure that any state regulatory actions taken do not adversely affect the emerging competition among all providers of communications services.

This observation raises the question of how telecommunications are regulated by the Kansas Corporation Commission. Are there services that are currently regulated but should be more flexibly regulated or even deregulated because sufficient competition exists? Is there a more effective way to make the transition from flexibly regulated services to even less regulation than through the alternative regulation schemes currently under consideration by the Commission and Southwestern Bell? Do Sub. for S.B. 591 and S.C.R. 1627, considered in tandem, provide a viable alternative framework for the transition to less regulation while balancing the three needs identified above? These questions, in my view, get to the heart of the matter.

**Kansas Inc.
Action Planning Committee
Telecommunications Committee**

Chairman

Susan Fox, Southwestern Bell

Kansas Inc. Board of Directors

Jay Anderson, DVM

Strategic Planning Committee

Edward Seaton, Seaton Media Group

Professional Advisory Task Force

Bob Templeton, Hays Area Chamber of Commerce

Kansas Legislature

Senator Steve Morris

Representative Ed McKechnie

Representative David Heinemann

Public Sector

Larry Gould, Fort Hays State University

Jay Gillette, Fort Hays State University

Barb Paschke, Kansas Board of Regents

Mel Chastain, Director, Kansas State University

Victor Frost, University of Kansas

Andy Scharf, Kansas Dept. of Administration, DISC

Denise Moore, Kansas Board of Education

Bill Mahler, KU Medical Center

Karen Fleming, Kansas Corporation Commission

Don Low, Kansas Corporation Commission

Dave DeMoss, Greenbush SEK

Local Government

Jerry Fear, City Manager, City of Oberlin

Leroy Gattin, Hutchinson Public Library

Private Sector

Mark Beshears, SPRINT

Trent Boaldin, Elkhart Telephone Company, Inc.

Jim Dahmen, Columbus Telephone Company

John Felz, United Telephone Company-Midwest Group

Rick Hilderbrand, AT&T

Robert Hodges, Kansas Telecommunications Assn.

Liz Kayser, S&A Telephone Co., Inc.

Gordon Mikesell, Southern Kansas Telephone Co.

Mike Reeht, AT&T

Rob Marshall, Midwest Cable Assn.

Eva Powers, MCI Telecommunication Corp.

Rick Rivera, KINNET

David Nichols, Southwestern Bell

*Energy: Natural Resources
Attachment #2
3/21/94*