

Approved: Carl Dean Holmes
4/29/94 Date

MINUTES OF THE HOUSE SUBCOMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes on March 23, 1994 at 12:00 p.m., in Room 313-S, of the Capitol.

All members were present except:

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 provided a blank working balloon on **SB 591** for use by subcommittee members as they deliberate the measure.

Lynne Holt. Ms. Holt, a staff member with the Research Department, reviewed with the subcommittee the questions to be addressed regarding **SCR 1627 and SB 591**. Among issues to be considered, Ms. Holt said one question is whether the state should use this Resolution, or some modified version, as a framework for pursuing the planning grants available through the Department of Commerce. She elaborated on this point at length, along with related issues in **SB 591**. (Attachment #1)

Action on SCR 1627:

Representative McKinney moved to report to the Standing Committee to strike lines 25 through 28 on Page 4 of SCR 1627. Representative Grotewiel seconded. Motion carried.

Representative Lawrence moved to report to the Standing Committee a conceptual motion on SCR 1627, Pages 3 and 4, insert a requirement that the Kansas corporation commission report to the appropriate committees the first regular meetings of said committees the first week of the Legislative session. Representative Gatlin seconded. Motion carried.

Representative Gatlin moved to report to the Standing Committee on SCR 1627 to strike on Page 2, lines 1 through 8 and insert stipulation that the legislative members of said committee be appointed by the Legislative Coordinating Council.

Chairperson Holmes referred the Subcommittee to Page 2, line 24 of **SCR 1627** wherein it is stipulated the final report shall be made by March 1, 1995. It was the consensus of the Subcommittee to report to the Standing Committee to change this date to January 1, 1996.

It was the consensus of the Subcommittee to report to the Standing Committee to change on Page 4, line 24 March to January.

Representative Gatlin moved to submit to the Standing Committee to strike, lines 21 and 22 on Page 4 Commerce Committee, House Economic Development Committee, and insert "committee on Transportation and Utilities, the House Committee on Energy and Natural Resources." Representative Grotewiel seconded. Motion carried.

Representative Gatlin moved to submit to the Standing Committee a conceptual motion on SCR 1627 on Page 2, to replace Kansas Inc members of the telecommunications strategic planning committee with six legislative members; a representative of a large long distance company; representative of a small long distance company; one major exchange carrier; one small exchange carrier; one representative from a large business; one representative from a small business; and one representative from the Department of Administration.

Representative Grotewiel seconded the motion. Motion carried.

Representative McKinney made a motion to report to the Standing Committee, on SCR 1627 Page 3, line 43, strike the word "all," and following the word "services," insert "where feasible." On Page 4, line 10, strike "and", and line 11 prior to the semicolon, insert "and establish appropriate policies to maintain universal service in high-cost areas of the state. Representative

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 12: 00 p.m. on March 23, 1994.

Grotewiel seconded. Motion carried.

Action on SB 591:

Representative Gatlin made a motion to report to the Standing Committee on line 14, strike March 1, 1997, and insert July 1, 1996. Representative McKinney seconded. Motion carried.

Representative Lawrence moved to report to the Standing Committee to amend lines 38 and 39 and change the enacting date from publication in the statute to "March 1, 1995, unless repealed by legislative enactment." Representative McKinney seconded. Motion carried.

Meeting adjourned at 1:20 p.m.



GUEST LIST

Committee: Energy and Natural Resources 12:00 - 2:00

Date: 3/23/94

NAME: (Please print)	Address:	Company/Organization:
ROB BAILEY	3809 S. 2nd St. Wichita, KS 67215	CWA / Southwestern Bell
ED PINKELMAN	10016 W53 MERRIAM, KS.	CWA LOCAL 6325
Debra J. Snow	1801 S.E. 37	CWA Local 6421
A.J. VILLEGAS	Kansas City, KS.	CWA 6327
Richard Shant	Hutchinson, Kas.	Southwestern Bell
Nashlinda Allen	7907 Cahill	SWB
Debra Vermorel	1000 S. 1st St. KS	Saint Mary College
Dominic Vermorel	5210 Courtyard Dr. KCK	Saint Mary College
Sean M. Korman	1128 S. 4th St. Lawrence, KS	Saint Mary College
Samantha Brittingham	2224 Girard LEAV. KS.	Saint Mary College
Doc PEDWELL	P.O. BOX 9697 KCMO	Saint Mary College
Dave Holtwick	11315 Georgia KCK 66109	SWBT
Brett Sayre	Garden City, KS	Southwestern Bell Tel. Co.
Shirley Allen	Topoka, KS	SWBT
Joe Ryan	Topoka	SWBT
Alice Anstoss	Topoka	SWBT
Sean Fox	Topoka	SWBT
Larry Hammit	"	"
Wayne Franklin	Manhattan, Kansas	Southwestern Bell Tel.
Carl K. K.	Salina, KS	SWBT
Dave Nichols	Topoka	SWBT
Greg Jones		LD's Metropolitan Comm.
Michael Ensmel	Mission, KS	CHI



GUEST LIST

Committee: Energy and Natural Resources

Date: 3-23-94

NAME: (Please print)	Address:	Company/Organization:
Kirkpatrick	Topeka	KCC
Chuck Flowers	Topeka	KCC
Tom Day	Topeka	KCC
Jim Robinson	Topeka	KCC
Pat Hubbell	Topeka	SWB
John Pinagor	Topeka	SITA
John Hull	Wichita	SW Bell
Mike Lowell	Wichita	SW Bell
John	Topeka	MIT
John Williams	Topeka	MIT
JANET STUBBS	Topeka	MIT
John Peluso	Topeka	CGI
HAROLD P. TITS	Topeka	AARP-CCTF
Ann Diggs	Topeka	KCC
Karen Malson Fleming	Topeka	KCC
Bill Bryant	Wichita	SWB
Bruce M.D.	Topeka	KCC
Dan Loei	"	"
ROBERT PALLS	"	KCCPR
Rob Hodges	"	Ks Telecom Assn

MEMORANDUM

TO: Representative Carl Holmes

FROM: Lynne Holt, Principal Analyst

RE: National Telecommunications Administration State
Telecommunications Planning Grant Program

In addition to the policy questions that will be addressed by the Subcommittee with respect to Sub. S.B. 591 and S.C.R. 1627 is the question of whether the state should use this resolution or some modified version of it as a framework for pursuing the planning grants available from the U.S. Department of Commerce. I reviewed the information the Committee received from the Docking Institute for Public Affairs on the NTIA grant guidelines. It appears that for the most part the guidelines correspond to areas identified in the strategic planning process in the resolution.

If the Subcommittee and full Committee intend to recommend that this grant be pursued, some entity or entities would have to be designated to apply for the funds, there would have to be documentation on the part of the applicant to provide matching funds (one-to-one cash match but in-kind is permissible on a case-by-case basis), and the application must be submitted no later than May 12, 1994.

Apparently, there is a total of \$26 million available for planning and construction of telecommunications networks. The NTIA has not yet determined how much will be available for the planning component of the program. Moreover, this is the first year for program funding and no parameters have been set for the total amount a successful applicant might be awarded. In the information we received it appears that NTIA would be looking for projects that are well thought out and priority will be given "to support projects that most effectively enhance economic opportunity, the provision of education, culture, public information. library, public safety, social services, or other efforts to meet public needs; and that support the further development of a nationwide, high-speed, interactive, infrastructure, incorporating the widest variety of information technologies."

One option the Subcommittee and full Committee might consider is endorsing a joint application of DISC, Kansas Inc., and the Kansas Corporation Commission (joint applications are encouraged). You might consider including DISC so that at least one of the applicants has knowledge about the "nuts and bolts" of interconnectivity. The guidelines seem to emphasize technical considerations and it might be advisable to expand in the resolution (p. 3) the mission of the contract Kansas Inc. is authorized to enter into on present and anticipated trends in telecommunications technologies to include recommended plans to coordinate information infrastructure activities in the state. Some of the corresponding technical issues are addressed in the

*Energy! Natural Resources
Sub Committee
Attachment #1
3/23/94*

resolution under tasks to be assigned to both Kansas Inc. and the KCC. (In particular, see (a), p. 2 and (c), p. 4.)

The time lines for project completion seem to correspond to the dates outlined in the resolution. If NTIA takes 3 to 4 months to process applications and make awards, Kansas would know some time in September, 1994. Successful applicants will have between 6 and 18 months to complete their projects, depending upon the complexity of the project. The 18 months duration would correspond to March 1996, when the final report would be due in accordance with the resolution.

Sorry this is such a rush job but "c'est la vie." To conclude, the Subcommittee and full Committee would need to decide if the state should pursue this grant application. if the answer is affirmative, what framework should be used, what entity or entities should be designated to apply, how much money should be appropriated and from what source, and what scope of planning is intended (the resolution assumes a statewide approach but a larger or smaller scope also seem to be options).