

Approved: 3/3/94  
Date

MINUTES OF THE SENATE COMMERCE SUBCOMMITTEE:

The meeting was called to order by Chairperson Alicia Salisbury at 7:00 a.m. on February 23, 1994 in Room 123-S of the Capitol.

Members present: Senator Salisbury, Harris, Steffes, Feleciano and Hensley

Committee staff present: Lynne Holt, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Mary Jane Holt, Committee Secretary

Conferees appearing before the committee:

**Meeting of the Senate Commerce subcommittee on SB 591-Limited deregulation of the telecommunication industry.**

The Chairman stated the Committee needed to give the staff direction on a legislative proposal for SB 591.

Senator Feleciano submitted proposed modifications to the Kansas Telecommunications Strategy submitted by Senator Salisbury February 21, 1994, see attachment 1.

It was the consensus of the Committee that:

- 1) Kansas Inc. to develop the Telecommunications Committee.
- 2) Legislature specify the entities to be included. Kansas Inc., with the cooperation with the KCC, contract with a consultant.
- 3) Adopt provisions of I and II except as otherwise noted.
- 4) adopt the amendment recommended by Southwestern Bell Telephone "Based on the KCC's findings in the generic competition docket, the committee will include in its recommendation to the legislature for the 1996 session, the form of regulation that would be appropriate for services remaining regulated."
- 5) include a definition of deregulation in II. Generic Docket-Kansas Corporation Commission, to make it clear that deregulation did not mean that there would be no filing of tariffs and investigation of complaints by the KCC.

Staff was directed to prepare resolutions on I) Development of a Telecommunications Strategy and II) Generic Docket-Kansas Corporation Commission.

The Chairman adjourned the meeting.

## Senator Feleciano's Proposed Modifications to Kansas Telecommunications Strategy

Basically adopt Senator Salisbury strategy with modifications.

By Concurrent Resolution Request KCC and Kansas, Inc. to implement three components:

### I. Development of Strategy

Because of concerns about duplication of efforts and timing, as expressed by Sprint et al. and KCC Staff, request KCC to develop most of strategy with some input from Kansas, Inc. committee.

Kansas, Inc. committee would focus on defining "telecommunications infrastructure" and identifying and prioritizing telecommunications applications as set forth in 4 b & c of memo. The committee would submit the report to the KCC by July 1, 1994, for KCC use.

Other aspects of strategy would <sup>be</sup> up to KCC to develop with report to legislature by December 31, 1995, with interim reports on periodic basis, maybe quarterly.

### II KCC Generic Docket

KCC would be directed to open up docket or dockets to address competition in various telecommunications markets. As part of proceedings, should determine extent of competition and appropriate regulation of various services and providers. December 31, 1995 Report legislature should include report of findings and planned actions regarding development of competition.

### III Continuation of TeleKansas I

Request that the KCC and Southwestern Bell agree to extend TeleKansas until March 1, 1996, under the condition that Bell commits to annual modernization investments of \$32 million during the extension.

The KCC should not be prohibited from auditing SWB during the extension since it will need to determine how Bell is doing before the end of the extension. There should also be no indication of legislative intent to prohibit return to traditional regulation.

*Commerce  
subcommittee  
3/23/94*

*Attachment 1*