

Approved: April 21, 1994
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 1:30 p.m. on March 30, 1994 in Room 123-S of the Capitol.

All members were present except: Senator Morris, who was excused

Committee staff present: Tim Colton, Legislative Research Department
Norm Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:
Eva Powers, MCI
Debbie Snow, Communications Workers of America

Others attending: See attached list

HB 3039 -- BLOCK TRANSMISSION OF PHONE NUMBERS TO CALLER IDENTIFICATION DEVICES

A member of the Revisors' staff reviewed the provisions of HB 3039, stating that it allows the subscriber of a telephone service to opt out of caller ID on a per call basis (Attachment 1).

Senator Salisbury noted that she would be offering two amendments to HB 3039 and had copies of a balloon distributed to Committee members (Attachment 2). Senator Salisbury moved, Senator Rock seconded, that HB 3039 be amended by inserting SB 819 and HB 3078. Senator Salisbury reviewed the provisions of SB 819 and the provisions of HB 3078 (Attachment 3) and noted that section 2 in the balloon addresses these provisions. She told members that her amendment would provide for live operators to be available, the operators would not have to be physically located in Kansas, and one could make a long distance credit card call without paying for a live operator to assist.

Eva Powers, MCI Telecommunications Corporation, appeared before the Committee and reviewed her written testimony (Attachment 4). She noted that her written comments addressed MCI's support for live operators and its concern regarding the requirement that the operators be located in Kansas.

Debbie Snow, Communications Workers of America, presented her written testimony (Attachment 5). She noted that MCI and AT&T both support the following proposed amendment which would become new subsection (e) under Sec. 1 and would read, "The requirements of this section shall not apply to access codes or telephone numbers that the customer expects to be automated only." In answer to questions, she stated that this language would not change the way 800 calls are currently handled.

In answer to a question, Eva Powers stated that Senator Salisbury's proposed amendment (Attachment 2-3) on line 4 beginning with the words, "This requirement shall apply only to "0-" calls where..." would resolve MCI's concern regarding live operators. She stated that Ms. Snow's recommended amendment would replace this same language, but would be duplicative.

The motion to amend section 2 of the balloon into HB 3039 carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Lawrence that HB 3039 be further amended by the inclusion of SB 591 as it passed the Senate. (SB 591 in the balloon { Attachment 2 } is the title and section 3.) An explanation of the provisions of SB 591 was distributed to members (Attachment 6). In answer to Senator Karr, Senator Salisbury explained that SB 591 originally proposed a \$138 million investment in infrastructure over 5 years; this proposal is for an investment of \$56-64 million over 2 years. Senator Brady

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 1:30 p.m. on March 30, 1994.

voiced his objection to the process of adding provisions to garner support for the bill. The motion carried on a voice vote.

Senator Karr moved to further amend HB 3039 by inclusion of the balloon found in Attachment 7. Senator Salisbury seconded the motion. Senator Karr noted that his amendment was offered in response to correspondence indicating that this project is committed to employment and investment opportunities in the state. The motion carried on a voice vote.

Senator Salisbury moved, Senator Rock seconded, that HB 3039 as amended be recommended favorable for passage. The motion carried on a roll call vote.

The meeting was adjourned at 2:45 P.M.

The next meeting is scheduled for March 31, 1994.

GUEST LIST

DATE: March 30, 1994

COMMITTEE: SENATE WAYS AND MEANS

[illegible]

The "Caller ID" Bill, H.B. 3039. As amended, provides as follows:

- a. It addresses "telephone call identification" services which enable a subscriber to determine the number of the calling party before s/he answers the call. Enables persons to screen unwanted calls.
- b. In addition, as amended, it allows a party making a call to "block" (on a per call basis) his/her telephone number from being transmitted to a Caller ID customer.
- c. The Bill also requires the KCC to adopt rules and regulations requiring that rates for enhanced "911" service not exceed the cost of providing the service.

SWAM
March 30, 1994
Attachment 1

HOUSE BILL No. 3039

By Committee on Judiciary

2-15

9 AN ACT concerning ~~telephone call identification service; en-~~
10 ~~forcement by the state corporation commission telecommu-~~
11 ~~nications public utilities; establishing certain requirements for~~
12 ~~telephone call identification service; relating to rates for en-~~
13 ~~hanced emergency telephone service.~~
14

15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. (a) The state corporation commission, by rule and
17 regulation, shall require that every telephone call identification serv-
18 ice offered in this state by a ~~telephone corporation telecommu-~~
19 ~~nications public utility~~, or by any other person or corporation that
20 makes use of the facilities of a ~~telephone corporation telecom-~~
21 ~~munications public utility~~, shall allow a caller to withhold display of
22 the caller's telephone number, on ~~an individual~~ a per call basis,
23 from the telephone instrument of the individual receiving the tel-
24 ephone call placed by the caller.

25 (b) There shall be no charge to the caller who requests that the
26 caller's telephone number be withheld, on a per call basis, from
27 the recipient of any call placed by the caller.

28 (c) The state corporation commission shall direct every tele-
29 ~~phone corporation to notify the corporation's subscribers that~~
30 ~~such subscribers' calls may be identified to a called party either~~
31 ~~telecommunications public utility to notify the utility's customers~~
32 ~~that the customers' calls may be identified to a called party and to~~
33 ~~provide to customers directions for withholding a caller's telephone~~
34 ~~number:~~

35 (1) Thirty or more days before the ~~telephone corporation tel-~~
36 ~~ecomunications public utility~~ commences to participate in the of-
37 fering of a call identification service; ~~or~~

38 ~~(2) by September 1, 1994, if the telephone corporation or,~~
39 ~~if the telecommunications public utility is participating in a call~~
40 ~~identification service prior to July 1, 1994, by September 1, 1994;~~
41 ~~and (2) annually thereafter in a customer billing.~~

42 (d) Every telephone directory published for distribution in an
43 area of this state served by a telephone call identification service

1 shall advise that the service is available and provide directions for
2 withholding a caller's telephone number.

3 ~~(d)~~ (e) This section does not apply to any of the following:

4 (1) An identification service which is used within the same limited
5 system, including, but not limited to, a Centrex or private branch
6 exchange system, as the recipient telephone;

7 (2) an identification service which is used on a public agency's
8 emergency telephone line or on the line which receives the primary
9 emergency telephone number;

10 (3) any identification service provided in connection with legally
11 sanctioned call tracing or tapping procedures; or

12 (4) any identification service provided in connection within any
13 "700," "800" or "900" access code telephone service until the tel-
14 ~~ephone corporation~~ telecommunications public utility develops the
15 technical capability to comply with subsection (a), as determined by
16 the state corporation commission.

17 (f) Nothing in this section shall be construed to prohibit a tel-
18 ecommunications public utility from providing for a caller to with-
19 hold the caller's telephone number on a per line basis.

20 (g) As used in this section, "telecommunications public utility"
21 has the meaning provided by K.S.A. 66-1,187 and amendments
22 thereto.

23 Sec. 2. (a) The state corporation commission shall adopt rules
24 and regulations governing rates for enhanced emergency telephone
25 service, which rates shall not exceed the cost of such service to the
26 telecommunications public utility offering the service.

27 (b) As used in this section:

28 (1) "Enhanced emergency telephone service" means a service
29 which enables the receiver of a call on an emergency telephone
30 service, as defined by K.S.A. 12-5301 and amendments thereto, to
31 identify the telephone number and location of the caller.

32 (2) "Telecommunications public utility" has the meaning pro-
33 vided by K.S.A. 66-1,187 and amendments thereto.

34 Sec. 2 3. This act shall take effect and be in force from and after
35 its publication in the statute book.

HOUSE BILL No. 3039

By Committee on Judiciary

2-15

AN ACT concerning telephone call identification service; enforcement by the state corporation commission telecommunications public utilities; establishing certain requirements for telephone call identification service; ~~relating to rates for on-demand emergency telephone service.~~

; relating to live operator requirements;
relating to extension of TeleKansas.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The state corporation commission, by rule and regulation, shall require that ~~every~~ telephone call identification service offered in this state by a telephone corporation telecommunications public utility, or by any other person or corporation that makes use of the facilities of a telephone corporation telecommunications public utility, shall allow a caller to withhold display of the ~~caller's~~ telephone number, on an individual a per call basis, from the telephone instrument of the individual receiving the telephone call placed by the caller.

delete

calling party's

This law will not apply to the transmission of
telephone numbers for billing purposes.

(b) There shall be no charge to the caller who requests that the caller's telephone number be withheld, on a per call basis, from the recipient of any call placed by the caller.

(c) The state corporation commission shall direct every telephone corporation to notify the corporation's subscribers that such subscribers' calls may be identified to a called party either telecommunications public utility to notify the utility's customers that the customers' calls may be identified to a called party and to provide to customers directions for withholding a caller's telephone number.

number from which a call is placed

on a per call basis

(1) Thirty or more days before the telephone corporation telecommunications public utility commences to participate in the offering of a call identification service; or

(2) by September 1, 1994; if the telephone corporation or, if the telecommunications public utility is participating in a call identification service prior to July 1, 1994, by September 1, 1994; and (2) annually thereafter in a customer billing.

(d) Every telephone directory published for distribution in an area of this state served by a telephone call identification service

SWAM
March 30, 1994
Attachment 2

shall advise that the service is available and provide directions for withholding a caller's telephone number.

on a per call basis

(d) (c) This section does not apply to any of the following:

(1) An identification service which is used within the same limited system, including, but not limited to, a Centrex or private branch exchange system, as the recipient telephone;

(2) an identification service which is used on a public agency's emergency telephone line or on the line which receives the primary emergency telephone number;

(3) any identification service provided in connection with legally sanctioned call tracing or tapping procedures; or

(4) any identification service provided in connection within any "700," "800" or "900" access code telephone service until the telephone corporation telecommunications public utility develops the technical capability to comply with subsection (a), as determined by the state corporation commission.

(f) Nothing in this section shall be construed to prohibit a telecommunications public utility from providing for a caller to withhold the caller's telephone number on a per line basis.

allowing any customer

(g) As used in this section, "telecommunications public utility" has the meaning provided by K.S.A. 66-1,187 and amendments thereto.

customer's

~~Sec. 2. - (a) The state corporation commission shall adopt rules and regulations governing rates for enhanced emergency telephone service, which rates shall not exceed the cost of such service to the telecommunications public utility offering the service.~~

~~(b) - As used in this section:~~

~~(1) - "Enhanced emergency telephone service" means a service which enables the receiver of a call on an emergency telephone service, as defined by K.S.A. 12-5301 and amendments thereto, to identify the telephone number and location of the caller.~~

~~(2) - "Telecommunications public utility" has the meaning provided by K.S.A. 66-1,187 and amendments thereto.~~

~~Sec. 2.3. - This act shall take effect and be in force from and after its publication in the statute book.~~

This definition shall not include any customer premises equipment or any network services which are subject to competition.

Sec. 2.

(a) As used in this section, "telecommunications public utility" has the meaning provided by K.S.A. 66-1, 187 and amendments thereto.

(b) Each telecommunications public utility shall ensure that a person initiating a live or mechanized operator-assisted call in this state

Sec. 2. (cont.) —

may access a live operator at the beginning of all automated operator-assisted calls through a method designed to be easily and clearly understandable and accessible to the caller. This requirement shall apply only to "0-" calls where the caller reaches a mechanized operator. Each telecommunications public utility shall submit to the state corporation commission for review the method by which the utility will provide such access to a live operator.

(c) This section applies regardless of the methods by which the telecommunications utility provides the operator service.

(d) The requirements of this section shall not apply to telephone service from a jail or correctional institution or facility.

Sec. 3. —

(a) The Kansas corporation commission, for a period extending through March 1, 1997, shall continue to regulate all telecommunications public utilities with more than 500,000 access lines in accordance with the terms and conditions set forth in TeleKansas I. The continuation shall include capital expenditures, above normal construction investment, of not less than \$56,000,000 nor more than \$64,000,000 by such telecommunications public utilities in a manner and amount to be determined by agreement between such telecommunications public utilities and the corporation commission. The commission shall not conduct any earnings audit [for the purpose of requiring rate reductions] prior to January 1, 1996.

(b) Nothing in this section shall prevent the corporation commission from further relaxing regulation of telecommunications services, from authorizing competition in existing services or entry of new competitive services, or from complying with preemptive federal orders prior to March 1, 1997. With the exception of subsection (a), this section does not otherwise alter the commission's statutory authority.

Sec. 3. (cont.)

(c) For purposes of this section, "TeleKansas I" means the scheme of regulation set forth in the corporation commission's February 2, 1990 order in the case styled *In the Matter of Southwestern Bell Telephone Company's Proposal for Network Modernization, Rate Stability and Pricing Regulation*, a/k/a "TeleKansas", docket number 166,856-U.

Sec. 4.

This act shall take effect and be in force from and after its publication in the statute book.

The "Live Operator" Bills, S.B. 819 and H.B. 3078.

- a. These Bills simply require that a person making an operator-assisted call in Kansas will have access to a live operator at the beginning of the call.
- b. Apply to calling card, collect and third number billing calls where operator assistance may be desired.
- c. The parties who provide live operator service have agreed that such operators need not be physically located in Kansas. (S.B. 819 differs from H.B. 3078 in that S.B. 819 requires live operators to be "located in this state.")
- d. Those companies who have live operators generally support these bills and Organized Labor strongly supports them.

SWAM
March 30, 1994
Attachment 3

SENATE BILL No. 819

By Committee on Federal and State Affairs

2-28

8 AN ACT concerning telecommunications public utilities; imposing
9 certain requirements relating to live operators.

10

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. (a) As used in this section, "telecommunications public
13 utility" has the meaning provided by K.S.A. 66-1,187 and amend-
14 ments thereto.

15 (b) Each telecommunications public utility shall ensure that a
16 person initiating a live or mechanized operator-assisted call in this
17 state may access a live operator, located in this state, through a
18 method designed to be easily and clearly understandable and ac-
19 cessible to the caller. Each telecommunications public utility shall
20 submit to the state corporation commission for review the method
21 by which the utility will provide such access to a live operator.

22 (c) This section applies regardless of the method by which the
23 telecommunications utility provides the operator service.

24 (d) The requirements of this section shall not apply to telephone
25 service to a jail or correctional institution or facility.

26 Sec. 2. This act shall take effect and be in force from and after
27 its publication in the statute book.

HOUSE BILL No. 3078

By Committee on Federal and State Affairs

3-15

8 AN ACT concerning the telecommunications public utilities; impos-
9 ing certain requirements relating to live operators.

10

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. (a) As used in this section, "telecommunications public
13 utility" has the meaning provided by K.S.A. 66-1,187 and amend-
14 ments thereto.

15 (b) Each telecommunications public utility shall ensure that a
16 person initiating a live or mechanized operator-assisted call in this
17 state may access a live operator at the beginning of all automated
18 operator-assisted calls through a method designed to be easily and
19 clearly understandable and accessible to the caller. Each telecom-
20 munications public utility shall submit to the state corporation com-
21 mission for review the method by which the utility will provide such
22 access to a live operator.

23 (c) This section applies regardless of the methods by which the
24 telecommunications utility provides the operator service.

25 (d) The requirements of this section shall not apply to telephone
26 service from a jail or correctional institution or facility.

27 Sec. 2. This act shall take effect and be in force from and after
28 its publication in the statute book.

COMMENTS ON SENATE BILL 819
BY MCI TELECOMMUNICATIONS CORPORATION
BEFORE THE SENATE WAYS AND MEANS COMMITTEE

March 30, 1994

Eva Powers

MCI Telecommunications Corporation questions the need for this particular legislation, although MCI supports the ability of consumers to reach a live operator in all instances when they dial a call beginning with "0". MCI believes that it is essential, if any legislation is passed regarding operator services, that the requirement for a live operator be limited to calls dialed beginning with "0".

MCI would oppose any requirement to locate operators in this state. MCI serves nationwide and provides operator services nationwide. Such services can best be provided by MCI through strategically located operator services centers. MCI has a nationwide operator services data base and could not efficiently and economically locate operators in Kansas nor comply with specific requirements that operator service calls, other than those dialed beginning with "0", have access to a live operator at the beginning of the call.

SWAM
March 30, 1994
Attachment 4

Debbie Snow
Communications Workers of America
Senate Ways & Means Committee
March 30, 1994

1 Mr. Chairman, Members of the Committee, good afternoon. My name
2 is Debbie Snow and I'm here representing the Communications
3 Workers of America. As I mentioned two days ago we are a labor
4 union that in the State of Kansas has a membership 4,000 strong.
5 Our fifteen locals span the state, from Wichita to Hays, Topeka
6 to Garden City, Salina, Hutchinson, Parsons, metropolitan Kansas
7 City and points in between. Today I'm here to speak for our
8 operators and the Kansans who depend on operator service.

9
10 At one time, there were no operators, because calls could only
11 go from one end of a line to another. We can imagine the
12 excitement that must have come from those first phone calls.
13 One instrument on one end, one on the other, and excited crowds
14 at either end marveling at the miracle of transmitted speech.

15
16 Soon the need for connecting to another party became apparent,
17 and switchboards with people in attendance rose out of the need
18 to connect different points in a path between phones. The
19 operators became the portal, the opening between others to
20 communicate with one another. I bet if you researched, you
21 would find someone in your family tree who served as that
22 portal.

23
24 Those early operators soon learned about what we now call

SWAM
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Attachment 5

25 technological downsizing. Dial phones relieved many of them of
26 their jobs. "Hello Central" slowly faded away, though the need
27 for operators remains still today: for collect calls, conference
28 calls, directory assistance, handicapped assistance, and yes,
29 even emergencies, the operator is a trained, caring voice on the
30 line. Children who in years past would be saying "Hi, Mom I'm
31 home from school", now often check in with the operator.

32
33 Technology has worked well for us as a means to a better life
34 but we want to make sure that technology doesn't become the end
35 instead of the means. Technology has benefitted us but it is up
36 to us as a society when we see how fast things are changing,
37 that we do not lose those very ingredients that make us great,
38 that separate us from machines.

39
40 We continue to move toward a mechanized age, but there is a
41 point at which we must decide whether we go completely automated
42 or whether we want some human reasoning and human input into
43 things we are doing. Otherwise we will continue to roll along
44 this path and become more and more numb to a lack of service.
45 The newest way is not always the best way.

46
47 Completely mechanized operator services tend to shut out
48 disabled people. Robot operators put a new and steeper flight
49 of stairs in front of disabled individuals who wish to
50 communicate with others. We are proud that Southwestern Bell

51 offers live operators, but competitors are coming in and forcing
52 the hand of these large carriers through machines. So where are
53 people going to turn?

54
55 Our workers began this journey years and years ago, building the
56 best communications system in the world. It's easy to see that
57 those who want to be competitive today weren't there to build
58 this, but would like to cash in on it.

59
60 Isn't it interesting that an entire category of horror movies
61 centers on the fear that machines will take over the world?

62 The elderly frequently use operators, as their eyesight or
63 arthritis often prevent them from connecting a call. The robot
64 confronts the caller with a confusing agenda of "Press 1 for
65 collect, 2 for something else", so that at the end, if you have
66 to wait for "If you're being mugged, press 8", it would hardly
67 matter, now would it? If this is confusing for me, then I
68 shudder to think how it appears to the very young and the
69 elderly. But, for what it's worth, who cares? Kansans care.
70 Over and over we have shown our concern for those in need, for
71 those who are not strong. Kansas can stand proud among states
72 for being among the first to draw this line with technology:
73 that just because it's possible does not mean it's desirable, to
74 emphasize that there is no machine so advanced as the human
75 mind. And no canned voice could care like the real thing.

77 In addition to the regular duties operators have, they still
78 handle emergency calls. Not all areas come equipped with 911
79 service. Some hesitate to use it. Some still don't know how.

80
81 Where else do you see a person's job title posted on something
82 we use every day. There on the dial, under the number "0" is
83 the word operator. Not robot. Not answering machine.
84 Operator. And behind that word should be a voice that says
85 without fail "May I help you."

86
87 I say to many people that when you go to an auction, flea
88 market, or garage sale, and you find a phone that says "Bell
89 System" - buy it, because it's already an antique. We are here
90 to make sure that the human voice doesn't follow the Bell System
91 into extinction, and that operators don't become an endangered
92 species.

Sub. S.B. 591

Substitute for Senate Bill 591 provides:

- a. Extension of TeleKansas for only two years. During the extension SWBT can't increase its local rates through March, 1997, earnings review as early as January, 1996.
- b. SWBT to make additional infrastructure investment of \$56-64 million over the 2 year extension with no assurance that TeleKansas will continue after March, 1997. Such investment will be devoted to providing distance learning capability to schools throughout SWBT's serving area.

SWAM
March 30, 1994
Attachment 6

Substitute for SENATE BILL No. 591

By Committee on Commerce

3-8

9 AN ACT concerning the telecommunications public utilities; relating
10 to extension of current regulatory conditions.
11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) The Kansas corporation commission, for a period
14 extending through March 1, 1997, shall continue to regulate all
15 telecommunications public utilities with more than 500,000 access
16 lines in accordance with the terms and conditions set forth in
17 TeleKansas I. The continuation shall include capital expenditures,
18 above normal construction investment of not less than \$56,000,000
19 nor more than \$64,000,000 by such telecommunications public util-
20 ities in a manner and amount to be determined by agreement be-
21 tween such telecommunications public utilities and the corporation
22 commission. The commission shall not conduct any earnings audit
23 *[for the purpose of requiring rate reductions]* prior to January 1,
24 1996.

25 (b) Nothing in this section shall prevent the corporation com-
26 mission from further relaxing regulation of telecommunications serv-
27 ices, from authorizing competition in existing services or entry of
28 new competitive services, or from complying with preemptive federal
29 orders prior to March 1, 1997. With the exception of subsection (a),
30 this section does not otherwise alter the commission's statutory au-
31 thority.

32 (c) For purposes of this section, "TeleKansas I" means the scheme
33 of regulation set forth in the corporation commission's February 2,
34 1990 order in the case styled *In the Matter of Southwestern Bell*
35 *Telephone Company's Proposal for Network Modernization, Rate*
36 *Stability and Pricing Regulation, a/k/a "TeleKansas"*, docket number
37 166,856-U.

38 Sec. 2. This act shall take effect and be in force from and after
39 its publication in the statute book.

Substitute for SENATE BILL No. 591

By Committee on Commerce

3-8

AN ACT concerning the telecommunications public utilities; relating to extension of current regulatory conditions.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The Kansas corporation commission, for a period extending through March 1, 1997, shall continue to regulate all telecommunications public utilities with more than 500,000 access lines in accordance with the terms and conditions set forth in TeleKansas I. The continuation shall include capital expenditures, above normal construction investment of not less than \$56,000,000 nor more than \$64,000,000 by such telecommunications public utilities in a manner and amount to be determined by agreement between such telecommunications public utilities and the corporation commission. The commission shall not conduct any earnings audit [for the purpose of requiring rate reductions] prior to January 1, 1996.

(b) Nothing in this section shall prevent the corporation commission from further relaxing regulation of telecommunications services, from authorizing competition in existing services or entry of new competitive services, or from complying with preemptive federal orders prior to March 1, 1997. With the exception of subsection (a), this section does not otherwise alter the commission's statutory authority.

(c) For purposes of this section, "TeleKansas I" means the scheme of regulation set forth in the corporation commission's February 2, 1990 order in the case styled *In the Matter of Southwestern Bell Telephone Company's Proposal for Network Modernization, Rate Stability and Pricing Regulation*, aka "TeleKansas", docket number 166,856-U.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

1)

and 2) the continuation of current levels of employment in this state through March 1, 1997 based on employment in this state as of April 1, 1994.

SWAM
March 30, 1994
Attachment 7