

SESSION OF 2008

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 570**

As Amended by House Committee on  
Energy and Utilities

**Brief\***

SB 570, as amended, would require the Kansas Corporation Commission (KCC) to approve or deny mergers or acquisitions between telecommunications companies headquartered in Kansas within 120 days. The bill would require the KCC to make a determination within 180 days for mergers or acquisitions of and by price cap companies when the partner is another price cap company or a company not headquartered in Kansas. Embarq and AT&T are the only price-cap regulated telecommunications companies in Kansas.

The bill also would require broadband service providers to submit a report to the Department of Commerce containing information about the geographic areas where service is available from that provider. This report would have to be submitted by October 1, 2008.

The Department of Commerce would be required to report to the Legislature by January 15, 2009, and every year following, on the state's broadband service. This report would include a report of census tracts where broadband service is available and how many providers service each census tract. Starting in 2010, the report would document changes on the number of providers and areas where broadband service is available. The Department also would report the names of providers that fail to comply with the reporting requirement.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

The bill was introduced at the request of Embarq, whose representative stated at the House and Senate Committee hearings on the bill that passage of the bill could prevent delays in mergers and acquisitions that potentially increase financing and acquisition costs.

Representatives of the KCC and the Citizens' Utility Ratepayer Board (CURB) testified in opposition to the bill at both the House and Senate Committee hearings.

The Senate Committee amended the bill to clarify that only mergers that were solely between telecommunications companies operating under price cap regulation in Kansas were exempted from review by the KCC.

The House Committee amended the bill to require the KCC to make a determination for sales or purchase of telephone exchanges by one or more Kansas-headquartered companies within 120 days. The Committee also amended the bill to give the KCC 180 days to make a determination for mergers and acquisitions of and by price cap companies when the partner is another price cap company or a company not headquartered in Kansas. The House Committee also amended the bill to require broadband service providers to submit a report to the Department of Commerce with information about the geographic area where service is available from that provider. This amendment incorporated all provisions of HB 2634 as amended by the House Committee of the Whole.

The fiscal note prepared by the Division of the Budget indicates passage of the introduced version of the bill would have no effect on the state budget.