

*Revised*  
*SESSION OF 2010*

## **SUPPLEMENTAL NOTE ON SENATE BILL NO. 543**

As Amended by Senate Committee on  
Utilities

### **Brief\***

SB 543 would amend current law regarding telecommunications. The bill would direct the Kansas Corporation Commission to require a carrier that provides two-way flat rate calling within its service area to provide this service to other exchanges, in conjunction with those exchanges' incumbent carriers, if the Commission finds that such joint service is needed for reasonably sufficient service and is in the public interest. Applicable calling services include two-way flat rate calling service, optional metroplus calling area service and other community calling plans. The requirement would apply to incumbent local exchange carriers, including carriers that elected price cap regulation, and to telecommunications carriers.

### **Background**

Proponents testifying on the introduced version of the bill included Representative Jene Vickrey, the Louisburg City Manager, and representatives of the Louisburg Chamber of Commerce and the Kansas Rural Independent Telephone Companies. Written testimony in support of the bill was received from Landmark National Bank, First National Bank of Louisburg, and Partners Printing and Copying, Inc. A resolution from the Louisburg City Council in support of the bill also was received.

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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>

Representative Vickrey testified that the communities of Louisburg and Hillsdale are economically disadvantaged because calls between those communities and the Kansas City metropolitan area are subject to long-distance tolls, while those communities are surrounded by telephone exchanges that have access to what generally is referred to as “metro-dialing,” which allows two-way flat rate calling to and from the metro area.

A representative of CenturyLink testified in opposition to the bill, stating it potentially forces the company to offer new products and services that might not benefit its customers and that would increase costs.

A representative of AT&T Kansas provided neutral testimony on the bill.

During discussion on the bill, representatives of the KCC stated any order issued by the Commission would provide reasonable cost recovery for carriers required to extend their community calling plans.

The Senate Committee on Utilities amended the introduced version of the bill to clarify that carriers electing price cap regulation would be subject to the requirement, and that the requirement applied to all community calling plans. In addition, the Committee deleted language that would have limited the requirement to adjacent exchanges.

The fiscal note prepared by the Division of Budget for the introduced version of the bill indicated it would have no fiscal effect on the Kansas Corporation Commission or on the Citizens Utility Ratepayer Board.