

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on March 2, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Steineger

Committee staff present: Lynne Holt, Legislative Research Department  
Jerry Ann Donaldson, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Betty Bomar, Secretary

Conferees appearing before the committee:  
Bud Grant, Kansas Chamber of Commerce and Industry  
Steve Kelly, Department of Commerce and Housing  
Charles Ranson, President, Kansas, Inc.  
Janette Luehring, Kansas Corporation Commission

Others attending: See attached list

**HCR 5059 - Strategic economic analysis**

Bud Grant, Kansas Chamber of Commerce and Industry (KCCI), testified in support of **HCR 5059** stating the success Kansas has experienced since the Redwood-Krider report in 1985-86 is testimony of what can be achieved as the result of a thorough strategic analysis and a joint public-private sector effort. The economy today is not the economy of the 1980's. KCCI believes it is time for another strategic economic in-depth study.

A new economic development strategy is a priority with the KCCI membership, and the Board of Directors has unanimously approved KCCI participation in the project. KCCI has set a goal of raising \$50,000 to contribute to the funding of the report. (Attachment 1)

A question was asked about why Kansas, Inc. was asking for additional funding for this type of a strategic study when it is charged by statute to make such reports and findings and to file an annual report with the Legislature. Mr. Ranson, President, Kansas, Inc., stated Kansas, Inc. is responsible for strategic planning, but it does not have the funding for an intensive analysis. Kansas, Inc. has completed two updates since the 1985-86 plan which have had significant expense attached to them; however, in both cases the reports have fallen short in projections and the setting of priorities as to what the state should be doing. The impetus for **HCR 5059** is a statement by the House that it is time to do an in-depth strategic plan and fund it adequately to ensure that the study is done well. The Chair informed the Committee that the Senate Ways and Means Committee has appropriated \$41,000 in the Kansas, Inc. budget to partially fund the study. There is to be a partnership for funding between the public and private sector.

A question was raised about why there is not a time line or a target date set out in **HCR 5059** as to when the study is to be completed. Mr. Ranson stated the last time a strategic up-date was done in 1997, it was done with an imposed deadline. In talking with people involved with that process, many expressed a frustration that they could not get the in-depth analysis they desired and still meet the deadline. There is a consensus that an effort of the magnitude envisioned in this study requires time to do the job right. The 1997 up-date was good on goals and objectives; but there were no specific recommendations for prioritized steps as to how to achieve those goals and objectives, causing, in part, the frustration experienced by the people working on the project. The 1985-86 plan contained 50 specific recommendations, 47 of which were implemented, including seven constitutional amendments. That is the type of in-depth analysis that needs to be done again.

Steve Kelly, Kansas Department of Commerce and Housing (KDOC&H), stated KDOC&H supports the request identified in **HCR 5059**. The Redwood-Krider report, which is 15 years old, still provides the basis for the programs presently in place in the state. The state's economy has experienced

## CONTINUATION SHEET

many changes since that report, particularly in technology and telecommunications. Industries that were modest players at the time of the report are now significant drivers to the economy. It is necessary that the state identify, in a systemized manner, the direction where the state is headed and where it would like to be. KDOC&H believes it is an appropriate time for this sort of a review and that the plan should be a strong plan with balance and objectivity.

The hearing was concluded.

The concern as to the cost of the report was discussed and Mr. Ranson stated the projected cost for the report would be between \$150,000 and \$200,000. The cost would be shared by monies from KTEC, KDOCH, KCCI, Kansas Calvary and other public or private entities, in addition to EDIF appropriated in the Kansas, Inc. budget.

**Senator Steffes moved, seconded by Senator Donovan that HCR 5059 be recommended favorably. The recorded vote was unanimous in favor of the motion.**

### **HB 2580 - Telephone solicitations: automated dialing machines**

Jerry Donaldson, Legislative Research Department, briefed the Committee on **HB 2580**. The bill amends the Consumer Protection Act relating to unsolicited telephone calls to residential numbers by requiring a live operator or an automated dialing announcing device to answer the line within five seconds of beginning the call. Presently the law requires a live operator or an automated dialing announcing device to answer the line within fifteen seconds.

The Chair informed the Committee the telemarketing bills will be considered next week but requested a consensus as to the direction it wished to take.

Senator Ranson stated she did not think legislation should do too much, inasmuch as technology would soon be taking care of the matter as reflected in a newspaper article distributed to the Committee. (Attachment 2)

The Committee on the whole, voiced its desire not to enact restrictive legislation, but rather legislation that would direct the Kansas Corporation Commission to adopt rules and regulations along the lines of those requested by the Chair and prepared by Legislative Research.

Lynne Holt briefed the Committee on the requested proposed legislation to require the Commission to promulgate rules and regulations that would: 1) require local exchange carriers to educate its subscribers regarding the Telephone Preference Service maintained by Direct Marketing Association, 2) set out specific information to be provided to residential subscribers, 3) specify methods to inform all telephone solicitors in Kansas of certain requirements prior to accessing Kansas-specific portions of the database, and 4) require all local exchange carriers and telecommunication carriers to collectively develop a method for educating consumers of their rights and remedies under the Kansas Consumer Protection Act, the Telephone Consumer Protection Act, Telemarketing and Consumer Fraud and Abuse Prevention Act, and the Direct Marketing Association's Telephone Preference Service. (Attachment 3)

Janette Luehring, Chief of Telecommunications, Kansas Corporation Commission, testified the Commission could adopt rules and regulations as set out in the proposed legislation.

A paper entitled "Customer Service/Call Center Operations" which reflects the location, number of employees and KEOIF-KEIEP money involved in obtaining Call Center Operations in Kansas was prepared by the Kansas Department of Commerce and Housing and distributed to the Committee. The paper reflects the investment the state has made to attract telemarketers to Kansas. (Attachment 4)

The meeting was adjourned at 9:00 a.m.

The next meeting is scheduled for March 3, 2000.

CONTINUATION SHEET