

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:15 A.M. on January 24, 2008 in Room 783 of the Docking State Office Building.

All members were present except:

Dan Johnson- excused

Committee staff present:

Mary Galligan, Kansas Legislative Research
Carol Toland, Kansas Legislative Research
Mary Torrence, Revisor's Office
Melissa Doebelin, Revisor's Office
Rena Hansen, Committee Administrative Assistant

Conferees appearing before the committee:

Dan Jacobson, at&t
Colleen Jennison, Cox Communications
Mike Murray, Embarq
Steve Rarrick, CURB
Patrick Fucik, Sprint
Pete Sywenki, Sprint

Others attending:

Thirty- seven including the attached list.

Representative Rob Olson moved to introduce legislation: 1. Equalizing electric rates across Kansas, and 2. Repealing KSA 48-1604 changing laws and regulations with nuclear development, seconded by Representative Vern Swanson. Motion carried.

Hearing on:

HB 2637- Telecommunications; pricing flexibility; lifeline service program.

Proponents:

Dan Jacobson, AT&T, (Attachment 1), presented testimony in support of **HB 2637** which will affect the way the state's telecom infrastructure is developed for the foreseeable future. Mr. Jacobson noted that AT&T tried to work with the other cable companies to find an amicable solution to potential differences. He also brought forth two maps (Attachment 2 and 3) to explain where the areas were that would be affected.

Questions were asked by and comments made by Representatives: Tom Hawk, Forrest Knox, Cindy Neighbor, Tom Sloan, Oletha Faust-Goudeau, Terry McLachlan, Carl Holmes, Tom Moxley, and Carl Holmes.

It was noted that in greater Kansas City alone, AT&T has lost 100,000 land lines to other suppliers of communication. Additionally, when asked, AT&T noted that this new rate fund would produce an estimated \$6,000,000 increase billed to customers per year.

Colleen Jennison, Cox Communications, director of Government Affairs, (Attachment 4), presented testimony in support of **HB 2637**, noting that the bill would expand low income customers' choice of service providers who provide discounts for Lifeline service, ultimately allowing the low income consumer to save money on their telephone service.

Questions were asked and comments made by Representative: Tom Sloan.

Mike Murray, Embarq, director of Government Affairs(Attachment 5), presented testimony in support of **HB 2637** as the bill is currently written.

CONTINUATION SHEET

MINUTES OF THE House Energy and Utilities Committee at 9:15 A.M. on January 24, 2008 in Room 783 of the Docking State Office Building.

Opponents:

Steve Rarrick, CURB, attorney, (Attachment 6), presented testimony in opposition to **HB 2637** noting page 8, line 28 as the main contention they have to the bill, as it removes the cap for the basic telephone service (POTS=plain old telephone service). They believe overall prices will go higher due to the pricing caps being lifted for POTS.

Questions were asked and comments made by Representatives: Oletha Faust-Goudeau, Tom Sloan, Tom Moxley, and Cindy Neighbor.

Patrick Fucik, director of state government affairs for Sprint, gave an introduction to the testimony noting that Sprint has no problems with the lifeline portion of the bill, but to the pricing flexibility.

Pete Sywenki, Sprint, (Attachment 7), presented testimony in opposition to **HB 2637**, noting that **HB 2637** would remove the last remaining regulatory protection for those services and customers which are least susceptible to competition.

Questions were asked and comments made by Representatives: Forrest Knox, Rob Olson, Tom Sloan, and Tom Moxley.

Janet Buchanon, KCC, gave the staffs opinion on how the lifeline would be priced according to the way **HB 2637** is written.

Hearing on **HB 2637** was closed.

The next meeting is scheduled for January 25, 2008.

The meeting was adjourned at 10:47 a.m.