

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:10 a.m. on February 3, 2005 in Room 231-N of the Capitol.

All members were present except: Representative Judy Showalter - Excused

Committee staff present: Mary Galligan, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee: David Kerr, SBC, Topeka, KS
Janet Buchanan, Kansas Corporation Commission, Topeka, KS
Rachel Reiber, Everest Connections, Lenexa, KS

Others attending: See Attached List

Chairman Holmes asked for bill introductions. Representative Kuether requested a committee bill be introduced that addressed telemarketing calls and the location of the call center being identified. Representative Krehbiel seconded the motion. The motion carried.

HB 2042 - Promotions by local exchange carriers within an exchange or group of exchanges, conditions

Chairman Holmes opened the hearing on **HB 2042**.

David Kerr, President of SBC-Kansas, testified in support of **HB 2042** (Attachment 1). Mr. Kerr explained the need for the bill as well as a brief overview of telecommunications competition in Kansas. He stated that the incumbent local exchange carriers do not have the same promotional flexibility as their competitors, therefore this legislation was highly beneficial to the ILEC's.

Janet Buchanan, Chief of Telecommunications for the Kansas Corporation Commission, appeared on behalf of the Commission Staff as a proponent to **HB 2042** (Attachment 2). Ms. Buchanan told the committee that the proposed legislation would apply similar criteria for review of promotions that is currently utilized for standard offerings. She stated that the Staff would continue to conduct review to ensure offerings are not anti-competitive and ensure that the offering is not unjust, unreasonably discriminatory, or unduly preferential.

Mike Murray, Director of Governmental Affairs for Sprint, submitted written testimony in favor of **HB 2042** (Attachment 3).

Rachel Reiber, Vice President of Regulatory and Government Affairs for Everest Connections, addressed the committee in opposition to **HB 2042** (Attachment 4). Ms. Reiber stated they were in opposition to the bill because it allows promotions and discounts to be offered on a less than exchange-wide basis. She said that the bill was not needed and that SBC and other ILEC's already complete with companies like Everest.

Written testimony in opposition to **HB 2042** (Attachment 5) was submitted by John Ivanuska, Vice President of Birth Telecom.

Mr. Kerr, Ms. Buchanan, and Ms. Reiber responded to questions from the committee.

Chairman Holmes closed the hearing on **HB 2042**.

The meeting adjourned at 10:26 a.m.

The next meeting is Friday, February 4, 2005 at 9:00 a.m.