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MEMORANDUM
HB 2201: IMPORTANT TERMS

TO: Senate Committee on Utilities
FROM: Tamera Lawrence, Assistant Revisor of Statutes
DATE: March 12, 2013
SUBJECT: House Bill 2201 Important Terms

LOCAL EXCHANGE CARRIER

Any telecommunications public utility or its successor providing switched telecommunications service within any local exchange service area, as approved by the commission on or before January 1, 1996.

K.S.A. 66-1,187(h)

There are two types of LECs.

1. Incumbent (ILEC)
2. Competitive (CLEC)
 - Price cap regulation: Under price cap regulation, a company's prices are set and then adjusted according to parameters established by the KCC.
 - Traditional rate of return regulation: Rate of return regulation fixes the rate of return that a company can earn on its assets. The KCC sets the price the company can charge so as to allow it to earn a limited, specified rate of return. The regulated price can be adjusted upward if the utility's rate of return drops and will be adjusted downward if the utility makes a higher rate.

Senate Utilities Committee
March 12, 2013
Attachment 5-1

COMPETITIVE LOCAL EXCHANGE CARRIER

A telecommunications carrier designated by the commission as an eligible telecommunications carrier after January 1, 1998. CLEC does not mean any local exchange carrier or any electing carrier designated by the commission as an eligible telecommunications carrier by order dated December 5, 1997, in docket No. 98-GIMT-241-GIT, or any such local exchange carrier's or electing carrier's successors or assigns.

HB 2201 Sec. 8, Page 26, Line 9

TELECOMMUNICATIONS CARRIER

A corporation, company, individual, association of persons, their trustees, lessees or receivers that provides a telecommunications service, including, but not limited to, interexchange carriers and competitive access providers, but not including local exchange carriers certified before January 1, 1996, except for electing carriers.

K.S.A. 66-1,187(m)

ELECTING CARRIER

Any local exchange carrier with a majority of the carrier's local exchange access lines in the state price deregulated pursuant to subsection (q) may elect to no longer be regulated as a local exchange carrier and, notwithstanding any other provisions, upon such election shall instead be regulated as a telecommunications carrier, except as provided in this subsection. A local exchange carrier making such election shall be referred to as an "electing carrier."

K.S.A. 66-2005(x)(1)

FACILITIES BASED CARRIER

A telecommunications carrier or entity providing local telecommunications service either wholly or partially over its own network. Facilities based carrier shall not include any radio communication services provider licensed by the federal communications commission to provide commercial mobile radio services.

K.S.A. 66-2005(x)(7)(A)

INTEREXCHANGE CARRIER

A carrier that provides long distance service and does not provide local exchange service.

TELECOMMUNICATIONS PUBLIC UTILITY

Any public utility, as defined in K.S.A. 66-104, and amendments thereto, which owns, controls, operates or manages any equipment, plant or generating machinery, or any part thereof, for the transmission of telephone messages, as defined in K.S.A. 66-104, and amendments thereto, or the provision of telecommunications services in or throughout any part of Kansas.

K.S.A. 66-1,187(n)

PUBLIC UTILITY

Every corporation, company, individual, association of persons, their trustees, lessees or receivers, that now or hereafter may own, control, operate or manage, except for private use, any equipment, plant or generating machinery, or any part thereof, for the transmission of telephone messages or for the transmission of telegraph messages in or through any part of the state, or the conveyance of oil and gas through pipelines in or through any part of the state, except pipelines less than 15 miles in length and not operated in connection with or for the general commercial supply of gas or oil, and all companies for the production, transmission, delivery or furnishing of heat, light, water or power. No cooperative, cooperative society, nonprofit or mutual corporation or association which is engaged solely in furnishing telephone service to subscribers from one telephone line without owning or operating its own separate central office facilities, shall be subject to the jurisdiction and control of the commission as provided herein, except that it shall not construct or extend its facilities across or beyond the territorial boundaries of any telephone company or cooperative without first obtaining approval of the commission. As used herein, the term "transmission of telephone messages" shall include the transmission by wire or other means of any voice, data, signals or facsimile communications, including all such communications now in existence or as may be developed in the future.

K.S.A. 66-104(a)

RURAL EXCHANGE

Any exchange in which there are fewer than 6,000 local exchange access lines served by the electing carrier and all facilities based carriers.

K.S.A. 66-2005(x)(7)(B)

URBAN EXCHANGE

Any exchange in which there are 75,000 or more local exchange access lines served by the electing carrier and all facilities based carriers.

K.S.A. 66-2005(x)(7)(C)

IDENTICAL SUPPORT RULE

Identical support rule requires that competitive eligible telecommunications carriers be given the same per-line level of high-cost support as incumbent local telecommunications carriers serving the same area.

LOCAL ACCESS AND TRANSPORT AREA (LATA)

Has the meaning ascribed to it in the federal act.

K.S.A. 66-1,187(g)

A contiguous geographic area—(A) established before February 8, 1996 by a Bell operating company such that no exchange area includes points within more than one metropolitan statistical area, consolidated metropolitan statistical area or state, except as expressly permitted under the AT&T Consent Decree; or (B) established or modified by a Bell operating company after February 8, 1996, and approved by the commission.

Federal Telecommunications Act of 1996
Section 3 (47 U.S.C. 153)

RURAL TELEPHONE COMPANY

Has the meaning ascribed to it in the federal act, excluding any local exchange carrier which together with all of its affiliates has 20,000 or more access lines in the state.

K.S.A. 66-1,187(1)

A local exchange carrier operating entity, excluding any local exchange carrier which together with all of its affiliates has 20,000 or more access lines in the state, to the extent that such entity—

(A) Provides common carrier service to any local exchange carrier study area that does not include either—

- (i) Any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recently available population statistics of the Bureau of the Census; or
- (ii) Any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;

(B) provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;

(C) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or

(D) has less than 15 percent of its access lines in communities of more than 50,000 on February 8, 1996.

Federal Telecommunications Act of 1996
Section 3 (47 U.S.C. 153)

