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**Neutral Testimony Related to House Bill 2201
Presented to the Senate Utilities Committee
By Jim Welch, Deputy Attorney General**

March 12, 2013

Mr. Chairman, members of the Committee, thank you for this opportunity to present neutral testimony related to House Bill 2201.

The Office of the Attorney General has no position on the bulk of this bill. It raises policy issues for the Legislature that do not relate to the Attorney General's Office. Indeed, the fact that the bill on its face does not appear to relate to the Attorney General's Office probably explains why our office has not, until now, been consulted or asked to provide any input.

One specific aspect of this bill, if enacted, would have a fiscal impact on the Office of the Attorney General and an impact on services provided to Kansas consumers. Since at least 2002, the Attorney General's Office and the Kansas Corporation Commission (KCC) have maintained a Memorandum of Understanding regarding the handling of consumer complaints related to telecommunications services. An additional MOU was executed in 2011 related specifically to "cramming," which is the placement of unauthorized charges onto a consumer's phone bill.

The general thrust of these inter-agency agreements was to ensure that efforts are not duplicated and that the two agencies work together to resolve legitimate consumer complaints. Pursuant to that approach, the Office of the Attorney General for many years has forwarded to the KCC consumer complaints that were filed with the AG's Office related to telecommunications services, and the KCC consumer staff has, as a general matter, handled and resolved those complaints. This seemed to be the appropriate approach since KCC's jurisdiction over the telecommunications industry was more specific than the Attorney General's broad authority to enforce Kansas law and his duties under the Kansas Consumer Protection Act. From a practical standpoint, it also has made sense to place much of the burden for handling consumer complaints on the KCC in these circumstances because, by law, KCC has had a reliable and dedicated source of revenue to provide those consumer protection services.

However, if House Bill 2201 is enacted, it is our understanding that the scope of KCC's jurisdiction will be made smaller, that the dedicated source of revenue that has supported this

consumer protection work will be decreased (as reflected in the fiscal note), and that the role of the KCC in consumer protection enforcement will be narrowed.

The net effect of those changes will be that a larger number of consumer complaints related to telecommunications services will need to be handled by the Attorney General's Office because the KCC will no longer have jurisdiction or resources to handle them.

While we are certainly willing to accept that task if it is given to us, we feel it important to advise the Committee that our existing resources and funding are not structured to assume this additional workload. If the KCC's ability to handle telecommunications-related consumer complaints is circumscribed, and if the Attorney General's Office is not provided with additional capacity to handle those complaints, then affected Kansas consumers will have no place in state government to turn for assistance.

Consequently, if this bill is to become law, we would ask the Committee to carefully consider adding authority and funding for at least one additional investigator at the Attorney General's Office to handle the anticipated additional complaints regarding telecommunications services and for a part-time clerical person to support both the new investigator and an existing litigator, who would be assigned these duties. It would be preferable if funding for those two positions, estimated at about \$100,000 annually, could come from a dedicated revenue stream rather than from general state revenues.

Thank you for considering this information. If the Committee wishes to pursue this matter further, we would be happy to discuss potential language that would accomplish this change.