SENATE BILL No. 468

By Special Committee on Energy, Natural Resources and Environment

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AN ACT concerning telecommunications; relating to the federal universal service fund and certification of federal high cost support by the state corporation commission; amending K.S.A. 66-2001 and 66-2002 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 66-2001 is hereby amended to read as follows: 66-2001. It is hereby declared to be the public policy of the state to:

- (a) Ensure that every Kansan will have access to a first class telecommunications infrastructure that provides excellent services at an affordable price;
- (b) ensure that consumers throughout the state realize the benefits of competition through increased services and improved telecommunications facilities and infrastructure at reduced rates;
- (c) promote consumer access to a full range of telecommunications services, including advanced telecommunications services that are comparable in urban and rural areas throughout the state;
- (d) advance the development of a statewide telecommunications infrastructure that is capable of supporting applications, such as public safety, telemedicine, services for persons with special needs, distance learning, public library services, access to internet providers and others; and
- (e) protect consumers of telecommunications services from fraudulent business practices and practices that are inconsistent with the public interest, convenience and necessity; and
- (f) promote the preservation and advancement of telecommunications services throughout all areas of the state.
- Sec. 2. K.S.A. 66-2002 is hereby amended to read as follows: 66-2002. The commission shall:
- (a) Adopt a definition of "universal service" and "enhanced universal service," pursuant to subsections (p) and (q) of K.S.A. 66-1,187;
- (b) authorize any requesting telecommunications carrier to provide local exchange or exchange access service pursuant to subsection (a) of K.S.A. 66-2003;
- 43 (c) on or before July 1, 1996, the commission shall initiate a pro-

ceeding to adopt guidelines to ensure that all telecommunications carriers and local exchange carriers preserve and enhance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services and safeguard the rights of consumers;

- (d) review, approve and ensure compliance with network infrastructure plans submitted by local exchange carriers pursuant to K.S.A. 66-2005;
- (e) review, approve and ensure compliance with regulatory plans submitted by local exchange carriers pursuant to K.S.A. 66-2005;
- (f) on or before January 1, 1997, establish, pursuant to K.S.A. 66-2006, the Kansas lifeline service program, hereinafter referred to as the KLSP;
- (g) initiate and complete a proceeding by January 1, 1997, to establish a competitively neutral mechanism or mechanisms to fund: dual party relay services for Kansans who are speech or hearing impaired; telecommunications equipment for persons with visual impediments; and telecommunications equipment for persons with other special needs. This funding mechanism or mechanisms shall be implemented by March 1, 1997;
- (h) on or before January 1, 1997, establish the Kansas universal service fund pursuant to K.S.A. 66-2008, hereinafter referred to as the KUSF, and make various determinations relating to the implementation of such fund;
- (i) authorize all local exchange carriers to provide internet access as outlined in K.S.A. 66-2011 and report on the status of the implementation provisions to specified legislative committees;
- (j) review the federal act and adopt additional standards and guidelines as necessary for enforcing slamming restrictions;
- (k) commencing on June 1, 1997 and periodically thereafter, review and, to the extent necessary, modify the definition of universal service and enhanced universal service, and KUSF, taking into account advances in telecommunications and information technology and services;
- (l) on or before January 1, 1997, initiate and complete a proceeding to establish minimum quality of service standards which will be equally applicable to all local exchange carriers and telecommunications carriers in the state; any local exchange carrier or telecommunications carrier violating such standards, for each occurrence, shall forfeit and pay a penalty of not less than \$100, nor more than \$5,000; violations of such standards shall be enforced in accordance with provisions of K.S.A. 66-138 and 66-177, and amendments thereto; and
- (m) on January 1, 2000, prepare and submit a report to the legislature. The report shall include an analysis of the manner in which the regulatory framework has served to: Protect consumers; safeguard uni-

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12 13 versal service; ensure that consumers have reaped the benefits of competition; maximize the use of market forces; and promote development of the telecommunications infrastructure throughout the state. The commission also shall recommend if and how the KUSF should be modified; and

- (n) in connection with the promotion of preservation and advancement of telecommunications service throughout the state, the commission shall not refuse to certify to the federal communications commission an eligible telecommunications carrier's eligibility to receive federal high cost support from the federal universal service fund, under the federal high-cost mechanism, in a service area based solely on the grounds that a portion of such support is used in an area serviced by an incumbent local exchange carrier that is not eligible to receive such support.
- 14 Sec. 3. K.S.A. 66-2001 and 66-2002 are hereby repealed.
- 15 Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.