



David D. Kerr
President-Kansas

SBC Kansas
220 E. 6th Street
Suite 500
Topeka, KS 66603

785-276-8201 Phone

Testimony of David D. Kerr, President of SBC Kansas
In support of HB 2042
Before the Senate Utilities Committee
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Mr. Chairman, members of the committee, my name is David Kerr, and I am the President of SBC Kansas. I appreciate the opportunity to talk to you this morning about House Bill 2042 and how important it is in offering lower prices and better value to Kansas customers by placing all competitors under the same set of rules. HB 2042 passed the House 121-0.

In our testimony on Senate Bill 120 we addressed the robust competition for voice service in Kansas, so I will not cover the information previously presented. However, I would like to share additional information on the attached graphs that illustrate the changes in the market over the last several years. The graphs also show that competition is robust in both urban and rural areas.

By now you are aware that not all communications providers have the same regulatory requirements, so it won't surprise you that one group of companies, the incumbent local exchange carriers, such as SBC, Sprint, and the rural companies, do not have the same promotional flexibility as their competitors. The intent of House Bill 2042 is to allow customers the opportunity for lower prices by allowing incumbent local exchange companies to compete on equal footing with competitors.

This legislation conforms language in K.S.A 66-2005 (l) to the general language found in K.S.A 66-1,189 and 66-1,191. This update to the law will allow incumbents to offer promotions in the same manner as our competitors. From a practical standpoint, that means that we could offer a promotion for a limited time, and direct it toward a specific group of customers. All such offers would still be reviewed by the Kansas Corporation Commission (KCC). The KCC testified in the House that they have no concerns with the legislation.

Today, I ask for your support of this straightforward change and look forward to offering customers the benefits of a competitive marketplace. Thank you for your time this morning. I would be pleased to answer any questions you have about this bill or about competition in general.