

February 12, 2008

The Honorable Jay Emler, Chairperson
Senate Committee on Utilities
Statehouse, Room 449-N
Topeka, Kansas 66612

Dear Senator Emler:

SUBJECT: Fiscal Note for SB 469 by Senate Committee on Utilities

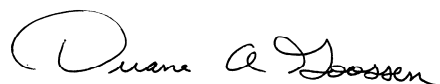
In accordance with KSA 75-3715a, the following fiscal note concerning SB 469 is respectfully submitted to your committee.

Under current law, the incumbent local exchange carriers are the carriers of last resort in their respective service territories. SB 469 would relieve incumbent local exchange carriers of the obligation to be the carriers of last resort when the owner or developer of a property, or a person acting on behalf of the owner or developer of the property: (1) permits only one alternative service provider to install its facilities or equipment for providing telecommunications service during the construction phase of the property, to the exclusion of the incumbent local exchange carrier; (2) agrees to accept incentives from an alternative service provider to offer exclusive access to the property for the provision of telecommunications service; (3) collects from occupants or residents of the property a fee for the provision of telecommunications services by an alternative provider; and/or (4) enters into an exclusive agreement with an alternative provider that grants incentives if the incumbent local exchange carrier's access to the property is limited or restricted. The incumbent local exchange carrier must notify the Kansas Corporation Commission (KCC) if the carrier is relieved of this obligation.

In addition, the incumbent local exchange carrier would be able to seek a waiver from the KCC of the carrier of last resort obligation for video service under the same circumstances listed above. The KCC would have 90 days to act on the waiver petition.

The KCC indicates that the passage of SB 469 would have no fiscal effect on its operations.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Tom Day, KCC