

**MINUTES OF THE  
PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE**

Wednesday, April 18, 2001 – 9:00 a.m. – Room 129 State Capitol

**Members Present:**

Sen. Leonard M. Blackham,  
Senate Chair  
Rep. John E. Swallow  
House Chair  
Sen. Mike Dmitrich  
Sen. Scott K. Jenkins  
Sen. John L. Valentine  
Rep. Douglas C. Aagard  
Rep. Sheryl L. Allen  
Rep. Ralph Becker  
Rep. Chad E. Bennion  
Rep. Gary F. Cox  
Rep. Kevin S. Garn  
Rep. Brent H. Goodfellow  
Rep. Ty McCartney  
Rep. Gordon E. Snow  
Rep. Martin R. Stephens  
Rep. Michael R. Styler  
Rep. Stephen H. Urquhart

**Members Absent:**

Rep. David Ure

**Staff Present:**

Mr. Richard North,  
Research Analyst  
Mr. Robert H. Rees,  
Associate General Counsel  
Ms. Junie G. Anderson,  
Legislative Secretary

**Note:** A list of others present and a copy of materials distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

**1. Call to Order**

Chair Blackham called the meeting to order at 9:13 a.m.

**MOTION:** Rep. Bennion moved to approve the minutes of the November 15, 2000 meeting. The motion passed unanimously, with Sen. Dmitrich, Sen. Valentine, Rep. Becker, Rep. Cox, Rep. Stephens, and Rep. Swallow absent for the vote.

**2. 2001 General Session - Review of Utility Related Legislation**

Mr. North distributed a handout “2001 General Session - Telecommunication, Public Utility, & Information Technology Legislation” and summarized legislation that passed regarding utility-related issues during the 2001 General Session.

**3. A Review of Telecommunication Deregulation Since The 1995 Passage of H.B. 364**

Mr. Rees distributed a handout “Overview of Telecommunications Law in Utah” and briefed the committee on the 1995 Utah Telecommunications Reform Act, the 1996 Federal Telecommunications Act, and amendments to the 1995 Utah Act.

Commissioner Steve Mecham, Public Service Commission (PSC), distributed a handout "The State of the Telecommunications Industry in Utah." He briefed the committee on the state of deregulation and said competition has been promising under the '95 Act. He also said there was an amendment in 1996 to the '95 Act that allowed US West to file an additional rate case and contained some provisions for the price cap that the PSC is authorized to set. He also spoke of comparisons of service between US West and its competitors.

Rep. Stephens questioned whether Utah truly has a functional separation. He said US West is vertically integrated and that is why it is able to sell below the competitors' market in the residential area.

Rep. Swallow assumed the chair when Sen. Blackham was called to testify in another meeting.

Mr. Robin Riggs, Qwest Public Affairs Director, offered to provide information within two weeks regarding the unbundled loop and retail rates. He distributed charts showing Qwest fiber networks in the United States and Europe, and Utah investment by Qwest/US West. He also discussed Qwest's market information.

Mr. Jerry Fenn, Utah Rural Telecommunication Association, briefed the committee on how rural telecommunications have been affected and will be impacted in the future by the deregulation act.

Mr. Rex Knowles, XO (formally Next Link), discussed the competitive local exchange carriers' (CLEC) perspective of the deregulation process. He said the number of customers that businesses can market is limited. He defined a limited market where customers call in for service but it is not actively marketed.

Mr. Steve Proper, Public Affairs, AT&T, distributed a handout "AT&T in Utah" and discussed its contents and AT&T's perspective on the deregulation process.

Mr. Jerry Oldroyd, CLEC Consortium, gave a group perspective on how the process has not allowed competitive entry. He said it is difficult to become competitive when the competitor is also the supplier. He also said there needs to be some incentive to increase competition.

Rep. Garn requested a complete transcript of Mr. Oldroyd's testimony. The transcript was prepared and is on file in the Office of Legislative Research and General Counsel.

Mr. Jeff Fox, Crossroads Urban Center, distributed a handout "Gloomy Forecasts Hang Over DSL, CLECs." He said consideration should be given to not raising prices for consumers

but to investigate some kind of structural divestiture that would encourage competition and allow competitors to be treated in a fair and equitable way.

Mr. Dee Jay Hammond, Chair - Committee of Consumer Services (CCS), requested the CCS be allowed, at a future meeting, to provide input on behalf of the public consumers' interest.

#### **4. Interim Study Issue Discussion**

Chair Swallow opened discussion for potential study items for the 2001 interim. Committee members provided input.

Rep. Allen recommended study of Item 174 on the Master Study Resolution

Rep. McCartney recommended study of "The Alternative Energy Sources" in the Energy Master Plan.

Rep. Becker recommended study of a short and long-term energy policy and strategy for the state.

#### **5. Adjournment**

**MOTION:** Rep. Cox moved to adjourn the meeting at 5:26 p.m. The motion passed unanimously, with Sen. Dmitrich, Rep. Garn, and Rep. Stephens absent for the vote

