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Testimony on HB2462

OPPONENT

House Energy, Utilities & Telecommunications Committee

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Chairman Seiwert and Members of the Committee:

I appear before you today to testify in opposition to HB2462. The bill would require local governments to lease any owned dark fiber on a cost-plus basis to any requesting private broadband provider. It provides a framework to encourage, or at least allow, local governments to create dark fiber networks then lease that fiber to a private broadband provider. In short, HB2462 allows for the creation of a government owned network without the day-to-day operational responsibilities of being a broadband provider.

HB2462 raises more questions and concerns than it provides answers. For example, the bill contains no provisions ensuring taxpayers are protected from subsidizing an expensive broadband infrastructure to compete with already established networks owned by the private sector. The bill provides no accountability or transparency in the leasing process to ensure a level playing field among all types of providers. The bill also does not prevent local governments from erecting barriers to facilities and technologies deployed by companies that might compete with a government owned dark fiber network.

AT&T has strong objections to the lack of transparency in the leasing process of the dark fiber networks proposed in HB2462. The arrangement proposed under HB2462 could create an unfair playing field where local governments could build a dark fiber network to lease to specific providers. AT&T believes local governments should not be allowed to lease out their own network facilities at the same time they are imposing additional substantial costs, delays and other burdens on competitive providers seeking to deploy competitive facilities and technologies in those same communities and areas.

Government subsidized competition for broadband services slows private sector investment, impedes broadband expansion, and decreases private sector tax revenues to state and local governments. Kansas consumers are best served by local policies that promote private sector innovation, investment, and competition.

On behalf of AT&T, I respectfully ask that you reject HB2462. Thank you for your time and consideration.

Respectfully submitted,

Mike Scott
AT&T Kansas President