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House Energy, Utilities and Telecommunications

HB 2701 – Creating the Statewide Broadband Task Force

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February 14, 2018

Good morning Chairman Seiwert and members of the House Energy, Utilities and Telecommunications Committee. My name is Mary Jane Stankiewicz, the Executive Director of the Kansas Rural Independent Telecommunications Coalition and I am submitting this neutral testimony regarding HB 2701.

There has been significant discussion about the status of broadband in Kansas this session. I think this is a worthy topic of conversation, especially as more and more of our business, health, news and entertainment segments of our lives are connected to the internet.

Under this bill, the task force is given a significant job as outlined on pages 2-3 and a very short time frame to make meaningful recommendations to the legislature by January 31, 2019 (approximately 6 months after the potential enactment of this bill). While I know that everyone wants results immediately, we also believe that you want the recommendations to be well thought out and achievable and this may require more than 6 months to accomplish.

We would suggest that the legislature may want to consider giving the task force members some more guidance before they are given this job by:

- Defining what is “unserved” and “underserved” areas of the state, especially since these are set out as priority areas.
- Establishing what is the speed that is required of these projects? 10:1 or 25:3?
- How will the program define what is a rural area and what is an urban area of the state?

We appreciate that the bill recognizes that a lot of changes are occurring at the federal level that will impact Kansas to some degree and that those initiatives will fill in some of the gaps

across the state. However, we don't know the exact extent of the build out of the following programs right now:

- AT&T will receive \$114m and CenturyLink will receive \$99m over the next few years pursuant to the federal Connect America Fund II (CAF II) program to assist with improving the connectivity of Kansans. This means the CAF II funding will inject approximately \$213m into Kansas over the next few years which will benefit a significant number of people.
- The CAF II Auction will occur in the Summer of 2018 and some of the Kansas communities that were not part of AT&T and CenturyLink's CAF II program are available for other companies to bid on to provide broadband services. The CAF II Auction will provide approximately \$2 billion nationally. Some of this money will come to Kansas however we are not sure how much or what communities in Kansas will be impacted by this program.
- AT&T will be implementing the FirstNet first responder program over the next few years which may fill in some of the broadband gaps.
- \$207m USDA loans and grants have recently been announced for rural telcos, electric providers and other qualifying entities to help with the national expansion of broadband. Kansas companies will be the recipient of some of these loans and grants.
- President Trump has announced his desire to distribute up to \$200b to the states for infrastructure improvements. Broadband can qualify as one of the categories of "infrastructure improvements".

While we do not know the exact impact these various programs will have on Kansas, it is fair to say that at least some of the gaps in service will be filled in by these initiatives. Therefore, it may be almost impossible for this task force to accurately identify where the service is still lacking, (i.e. unserved or underserved), until these programs are implemented. It is only with data and information that you, as legislators, can make informed choices and decisions.

KRITC wants to thank you for allowing KRITC to be part of this discussion. We are committed to serving Kansans and have put our money where our mouth is by investing \$525m in capital in Kansas between the years of 2011-2016.