



Memo

To: House Energy, Utilities and Telecommunications Committee
From: Erik Sartorius
Date: March 14, 2019
Re: Neutral Testimony on Senate Bill 68 As Amended

The League of Kansas Municipalities appreciates the opportunity to submit neutral testimony regarding Senate Bill 68. Local governments strive to balance the needs and values of residents with the conduct of commerce. As originally drafted, SB 68 tilted the playing field toward wireless service and infrastructure providers at the expense of cities.

The League met and negotiated with industry representatives multiple times over the past three months. All parties gained insights regarding the others' perspectives and needs. The League reached a place where we believe Senate Bill 68 offers cities, their residents, and other right of way users some needed protections in the wireless siting process. We believe it is critical that cities have close, on-the-ground relationships with users of the right of way. Traditionally, the rights and responsibilities in those relationships have been spelled out in franchise agreements.

The wireless industry believes that the franchise structure is antiquated and does not meet their needs. Some on the municipal side of this issue have expressed similar ideas. However, those in municipal government who have said this have also said that there must be another structure in place – not just a vacuum. Through negotiations with the wireless industry, we believe alternative options have been created for cities which a) they may require of wireless providers; b) ensure cities have responsible and responsive parties to address issues arising in the right of way; and c) provide mechanisms for cities (and indirectly, their citizens) to be compensated for use of the right of way.

One of those issues where cities worked with wireless companies was the application of a “gross receipts” charge to wireless nodes constructed by the service providers. We acknowledge that trying to apply this type of fee is impractical. Many cities, in fact, have been using a nominal, annual per node fee in such instances.

Members of the committee, thank you again for your time. The League still does not see a need for this legislation, but worked for multiple months with proponents to identify legitimate issues which could be mitigated. Under these circumstances and at this late point in the session, we do not believe SB 68 should be amended with additional policy changes. We remain committed to protecting the interests of the citizens and businesses in your cities, while also facilitating the deployment of wireless telecommunications services in Kansas