



Kansas **Cable Telecommunications** Association

**2020 Special Committee on Economic Recovery**

**December 8, 2020**

**Verbal Testimony Regarding Broadband Expansion**

**John J. Federico, JD: President, Kansas Cable Telecommunications Association**

Good afternoon, my name is John Federico and I serve as the President of the Kansas Cable Telecommunications Association. KCTA members provide advanced telecommunication services including video, voice and broadband to both urban and rural communities across Kansas. I appreciate the opportunity to address the Special Committee on Economic Recovery, to discuss the impact of the recent *Connectivity Emergency Response Grant (CERG)* program approved by the Spark Committee using CARES Act dollars.

I would start by mentioning that the cable industry deploys more broadband services to homes and businesses than anyone else in Kansas. Nationally, cable's broadband product is available to 93% of US households. In response to customer demand, top tier speeds of cable's broadband product have increased 50% each year. Since the inception of cable television, cable operators both nationally and in Kansas have been innovators in the development and deployment of advanced telecommunication technologies to meet customers' needs and demands. Since 1996, the cable industry has invested over \$275 billion dollars in infrastructure trying to deliver, *better* and *faster* to our customers. America's internet builders have invested \$1.4 trillion of private capital to deploy broadband networks across the US. The US has 4% of the world's population, only 10% of its' internet users, but boasts of 25% of its broadband investment.

And this is all worth mentioning because as leaders in the broadband space, the cable industry has been leading the efforts to get Kansas policymakers to focus on the need for a statewide plan to expand broadband, increase adoption, and commit to a sustained funding plan to accomplish both.

The recent awarding of grants through the CERG Program, although not perfect, was a step in the right direction and all involved deserve high praise. The task of cobbling together a plan, where none existed, in an incredibly short time frame, was nothing short of impressive. Mr Adams in particular deserves much credit for the time he took to visit with a variety of stakeholders to discuss best practices and appropriate guardrails to make sure the grant process was fair, and adequate attention was paid to using scarce taxpayer dollars where it would do the most good.

As mentioned, the end-product was not perfect, but all-in-all was well done and provides valuable lessons/information to improve the process as the state begins to rollout the *Broadband Acceleration Grant Program* which commits expanded broadband funding over the course of the next 10 years.

(OVER)

To that end, an improved grant “process,” we would ask all involved to remain focused on several different things that we think help ensure a successful Program.

- Prioritize grants benefiting **unserved areas** of the state or a community
- Develop a strong **challenge/comment process** that allows providers to protest grants that help subsidize competition in areas that are already adequately served by provider/s.
- Consider a sufficient amount of grant dollars **to foster adoption** of existing broadband services benefiting low-income households and seniors, rather than solely for expansion projects.
- Ensure that the awarding of grants are **technology neutral**.
- That solutions be considered that encourage **private or public-private partnerships**.

You will hear from Megan Bottenberg of Cox Communications to discuss specific projects funded through the grant program that have real-life positive impact on families in different parts of the state.

We appreciate the opportunity to visit with the Committee and would be happy to answer any questions or provide additional information at the appropriate time.

## **ADDITIONAL INFORMATION**

### **The State of Broadband in Kansas**

According to information contained in the FCC’s Annual Broadband Progress Report, the national average of the population without access to broadband (defined as 25Mbps down / 3Mbps up) is 10%. In Kansas, the average is 15%. And according to the FCC, the lack of access to suitable broadband is not just a “rural” problem, as 5% of the population in urban areas in Kansas are without options (versus 4% nationally).

### **Adoption Programs**

Individual cable operators have implemented programs that offer free or reduced-cost services to people who might not otherwise be able to afford internet access. As an example, Charter, Cox and Comcast, among others, allows schoolchildren who qualify for the National School Lunch Program, and/or senior citizens the opportunity to purchase a desktop computer or a laptop at a significantly reduced price, and internet services for less than \$10 per month. More than 1.25 million low-income families in the US have been connected to the internet through these cable-sponsored broadband adoption programs.