



## **Neutral Testimony on HB 2563**

### **Kansas Cable Telecommunications Association**

### **House Energy, Utilities, & Telecommunications Committee**

**February 5, 2018**

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.

We believe HB2563 is a good start to accomplish the goal of expanding broadband to unserved, high cost areas of the state. While we are neutral on the bill because of the concerns expressed below, we generally support focusing resources solely on broadband deployment in **unserved** areas of the state. We applaud the effort to include resources for broadband education and adoption. If this plan is enacted, we also think it is logical for the state to look to use available resources currently earmarked in support of equalizing landline telephone rates in high cost areas. The stair-stepped approach to reallocating subsidies in HB2563 is consistent with the plan enacted by the FCC away from the Federal Universal Service Fund into the Connect America Fund.

Among our concerns with HB2563, are 1) the authority to tax internet providers; 2) the unclear definition of “content provider” (intrastate net retail revenues); and, 3) the focus just on “rural” unserved areas.

We are happy to work with the sponsor of HB2563 to address the concerns of the KCTA should the committee decide to advance this bill. I am happy to stand for questions Mr. Chairman.