



John Idoux
Director Governmental Affairs
john.idoux@centurylink.com

600 New Century Parkway
New Parkway, KS 66031
913-353-7085

***Neutral Testimony of House Bill 2515
Income Tax Deduction For Releases Of Telephone Service Territory***

**Testimony by CenturyLink
John Idoux, Kansas Governmental Affairs Director
Before the House Energy, Utilities and Telecommunications Committee
February 5, 2018**

Thank you Chairman Seiwert and members of the Committee. My name is John Idoux and I am CenturyLink's Director of Governmental Affairs for Kansas. I appreciate this opportunity to express CenturyLink's views of House Bill 2515.

Please refer to CenturyLink's Introductory Testimony dated February 5, 2018 for a general introduction of CenturyLink including CenturyLink's commitment to rural broadband deployment and current challenges faced in deploying broadband further into rural Kansas.

Encouraging Companies to Leave Kansas is Not Good Public Policy

CenturyLink understands the sole purpose of HB 2515 is to encourage AT&T and/or CenturyLink to leave Kansas or portions of Kansas. HB 2515 sends a loud and clear message to CenturyLink's leadership, employees and investors that CenturyLink's services, investments and commitments to the state may no longer be welcome in Kansas. CenturyLink is proud of its Kansas roots, its Kansas commitment, its Kansas investments and its longstanding role of being an outstanding Kansas corporate citizen. House Bill 2515 is simply contrary to good public policy.

CenturyLink has provided communications services in Kansas under various names since 1909 and today serves rural Kansans in 119 communities including Junction City, Fort Riley, Gardner, and 111 communities with fewer than 1000 residents. CenturyLink's commitment to rural Kansas is as strong today as it has been over the past 109 years. CenturyLink maintains a significant workforce in Kansas with nearly 1250 employees and has nearly \$650 million in Kansas investment. CenturyLink also has more than 1500 route miles of long-haul fiber optics throughout Kansas, including three east-west routes, two north-south routes and fiber rings in metro areas.

CenturyLink has deployed more rural wireline broadband in Kansas than virtually any other provider and has not received any state support to deploy its expansive broadband network. CenturyLink first deployed broadband facilities in 2002 and by 2008 had fiber deployed to all 119 communities served. Over the past decade, CenturyLink has continued to invest in rural Kansas

by continually augmenting capacity and speeds as well as deploying fiber facilities further into rural areas beyond the rural city limits. CenturyLink elected to participate in the FCC's Connect America Fund (CAF) initiative in Kansas by committing to deploy broadband speeds capable of at least 10 Mbps downstream / 1 Mbps upstream to 29,018 households and businesses in Kansas by 2021.

Broadband Services Are Highly Competitive

HB 2515 is based on the false pretense that CenturyLink owns the customer and that CenturyLink can simply "release" its customers to another carrier. Nothing can be further from the truth.

CenturyLink does not own a single customer – each and every CenturyLink customer can disconnect without CenturyLink's permission and connect with any available provider. CenturyLink owns its network, for which it has invested billions of dollars over decades to serve its customers and CenturyLink faces growing and intense competition from a variety of facilities-based competitors using a variety of technologies.

Broadband providers have neither a monopoly nor an exclusive territory. The cable association states its members serve more broadband customers than all other competitors. Cox, Comcast, Charter and many rural cable operators compete against CenturyLink today. Rural phone companies overbuild and compete outside their traditional service areas, including in dozens of CenturyLink communities. National tech companies including Google and Microsoft operate in Kansas today while others such as Facebook are testing technologies that potentially can be deployed anywhere. For many other customers, either fixed wireless or mobile wireless broadband serves their needs.

CenturyLink Does Not Impede Competition

CenturyLink embraces free market principles and does not impede its competitors from competing for customers. Not a single complaint has been filed by any CenturyLink competitor at the KCC which has jurisdiction over network interconnection agreements.

Conclusion

CenturyLink does not dispute the fact that broadband is a vitally important service nor does CenturyLink dispute the fact that there are areas of the state lacking sufficient broadband. CenturyLink has been deploying broadband in its communities since 2002 using its own capital and will continue to drive broadband further into rural Kansas using a combination of private funding and available CAF support. CenturyLink has been – and will continue to be – a strong partner at the discussion table on how to advance broadband into rural areas of the state but HB 2515 does nothing to advance the serious challenges facing rural broadband deployment.