

TESTIMONY IN SUPPORT OF HB2701
Establishing the statewide broadband expansion task force

Testimony by Daniel P. Friesen, IdeaTek Telcom, Buhler, Kansas.
Before the Kansas Senate Commerce Committee
March 9th, 2018

Introduction

My name is Daniel Friesen, I am the chief innovation officer and managing member of IdeaTek Telcom which has been headquartered in Buhler, Kansas for nearly 15 years. We are a competitive service provider of broadband and voice services that does not receive funding from the Kansas Universal Service Fund. With less than 70 employees we have used private investment to build over 2,400 miles of fiber optic infrastructure all over our great state. We've connected rural homes, farms, schools, cell towers, and other service providers to real sustainable internet in areas other providers would dare not go, and we are focused now more than ever on the deployment of real, sustainable fiber optic broadband solutions for the unserved and underserved in Kansas.

We support HB 2701 with its creation of a broadband expansion task force as a crucial step toward resolving the gap in broadband deployment. I am familiar with this concept as I also currently serve on a similar working group created in 2017 by the Federal Communications Commission called the "BDAC" or the Broadband Deployment Advisory Committee. I was appointed to the position by FCC Chairman and fellow Kansan Ajit Pai.

State of Broadband in Kansas

There is increasing demand from our fellow Kansans for the government and our industry to resolve the problem of underserved and unserved broadband in homes, farms, and businesses across our state. This is not the first time for this call nor is it the first time for a solution to be proposed or even adopted. But this time there is a real demand from you, from me, from all of those who play a role in broadband deployment to come up with a final sustainable solution to broadband service deployment in this state.

Why?

Because fast broadband is no longer a luxury or a service of convenience. It has become a core utility that residents, business, students, and institutions depend on for daily living and operating just like they do for electricity and water. Yet, those of us that have a good broadband service are quick to forget that many in Kansas still do not. Consider, for example, there are Kansans still using dial-up internet today. This lack of service yet growing dependency and need has driven a momentum across this country to finally eliminate this disparity of broadband found in rural America.

Let's consider the current facts today:

- ★ The United States ranks only 9th in the world for fixed broadband speeds and an embarrassingly 46th in mobile broadband speeds, just ahead of the country of Albania¹
- ★ Kansas ranks 40th in the Union for overall connectivity.
- ★ Over half a million Kansans have no access to a fast broadband connection.
- ★ Another half a million Kansans only have access to a single wired provider, with no options to switch.
- ★ Nearly 200,000 Kansans have no option of a wired provider today ²
- ★ 29% of our Kansas farms do not have internet access today and 8% are still on dialup³

Let's Include Those Already Forging Ahead

While we commend this body and its leadership for taking the initiative to seek a range of opinion, we would respectfully encourage a broadening of the panel to include independent competitive providers like ourselves which are out in front, not just talking about this stuff, but actually doing it, forging ahead with new rural deployments everyday. As an underdog, as a small Kansas-based competitor in an industry often dominated by giant national corporations, we do not always get a voice in these decisions, and that might be because we often take a different view, but it is a view that needs heard more than ever as we tackle the complexities of broadband inequality.

A Competitive Viewpoint

We would first submit our state's lack of progress is **not** because of a lack of funding. Over **3.8 BILLION** dollars in subsidies has been provided in Kansas over the last twenty years with tens of millions of dollars continuing each year. Rather, our view from the outside has helped us form differing opinions, and that our current state of affairs in broadband can be more heavily attributed to the following:

1. **Our failure to invest in long term solutions.** There are many success stories in Kansas of fiber-to-the-home builds that have turned broadband deserts into technology-rich zones that grow our economy, our property values, and support a generation of children and young adults who rely more than ever on fast reliable broadband. Fiber optic builds essentially remove all barriers for service for the foreseeable future.

¹ "Speedtest Ranks Internet Access Speed In More Than 100 Countries." 14 Aug. 2017, <https://www.forbes.com/sites/kevinmurnane/2017/08/14/speedtest-ranks-internet-access-speed-in-more-than-100-countries/>. Accessed 5 Mar. 2018.

² "Internet Access in Kansas: Stats & Figures - BroadbandNow." 30 Nov. 2017, <https://broadbandnow.com/Kansas>. Accessed 5 Mar. 2018.

³ "Farm Computer Usage and Ownership 08/18/2017 - USDA Economics" 18 Aug. 2017, http://usda.mannlib.cornell.edu/usda/current/FarmComp/FarmComp-08-18-2017_correction.pdf. Accessed 6 Mar. 2018.

2. **Our failure to support competition under the auspices that monopolies are best for rural and remote service.** It's simply not true that only one provider can survive in certain areas of rural Kansas. It's unfortunate our current system often supports a single provider in an area even in the presence of competition. We need to encourage competition that generates better service delivery efficiency, more robust service products and less dependency on the government.

3. **A lack of cooperation between our different government agencies and providers.** The more remote the area, the more cost-effective a provider must be to deliver service. It is certainly important that this bill brings local, county, and state government together to work with providers on streamlining broadband installation while still respecting the important functions these governmental entities play.

4. **A lack of creativity in support programs to make rural service business models sustainable.** Rather than focusing on unsustainable subsidy money, our state should broaden our thinking to include innovative alternatives to long term subsidy models such as one-time construction assistance, tax breaks, and permit streamlining.

Conclusion and Recommendation

This bill is an extremely important first step in starting a real and open conversation about the issues facing broadband deployment in Kansas. Our rural communities, homes, farms and ranches represent a founding cornerstone of our state's agriculture and rural economies, and we can no longer continue to let these areas of Kansas fall farther and farther behind on issues of broadband. Whether it be for business growth and jobs, property values, agricultural development and even the long term survivability of these areas, these Kansans are depending on us for action now.

Currently this bill includes no voting seat for rural independent competitive fiber providers like IdeaTek. As significant contributors to the broadband infrastructure in this state, we would strongly and respectfully encourage your consideration in including more voices like ours in this process. We believe change is an important part of resolving our broadband issues, and therefore we believe this taskforce should include new seats at the table, creative thinkers, and competitors who are already out there attempting to deliver on this bill's goal - to deliver real sustainable broadband to Kansans that need it the most.

Thank you Madam Chairwoman and senators for this opportunity to appear today. I would be honored to take any questions you may have.