



Testimony in Opposition to SB68
House Energy, Utilities & Telecommunications Committee
John J. Federico
March 14, 2019

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 your Committee Mr. Chairman and on behalf of the members of the KCTA I appear in opposition to SB68 as currently drafted.

The principle reason for our opposition to SB68 is the stark disparity the bill would create, favoring one competitor over another as it relates to financial obligations due the city for use and maintenance of the right of way (ROW). In spite of similar product offerings to the consumer, and similar use of networks within the ROW, the wireless industry seeks your permission to avoid paying franchise fees, while its' competitor is required to pay tens of millions of dollars as a percentage of gross receipts, for the same privileges within the ROW. As it relates to treatment of "like" entities in the ROW, cities are bound by an obligation to treat users within their ROW's in a *competitively neutral* manner. The bill you are being asked to support, flies in the face of that principle and we are asking for your support in closing the parity gap in support of our proposed amendment.

As it relates to the intentions and the efforts of the proponents of SB68, they are doing what they feel are in the best interests of their industry. They use as justification for this bill, help in removing "*impediments to the speedy and streamlined deployment of new wireless technologies.*" On the basis of simple fairness, and in exactly the same manner, we ask for similar support in relief of burdensome delays and wasted resources in the hopes of faster deployment of our own small cell/wireless technology, in more areas of the state.

We respectfully offer the Revisor's amendment. Justification for this amendment can be found in recent FCC rulings, which allows cable systems to deploy wireless facilities of their own choosing, and prohibits municipalities from accessing franchise fees. Similar clarifying statutory language has been adopted in numerous states around the country.

In short, this amendment seeks to codify FCC rulings, case law, and more importantly, stop the unnecessary delays in small cell deployment as a result of local municipalities seeking unauthorized fees on non-cable services and equipment. To be clear, this amendment does NOT provide new authority or financial avoidance for or by a cable operator. It does NOT impact in any way what the wireless industry is trying to accomplish. And it does NOT take away anything from the cities as they are currently prohibited from collecting franchise fees on such equipment. If we are collectively trying to speed deployment of new technology to consumers across the state, then we seek your support of our amendment in the same manner and for the same reasons as the general support behind SB68.

Again, I appreciate the opportunity to appear before your committee and will be happy to stand for questions