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Testimony of Patrick Fucik on behalf of Sprint Corporation
On Kansas HB 2563
Kansas House Energy, Utilities and Telecom Committee
February 5, 2018

Chairman Seiwert and members of the committee. Thank you for the opportunity to present written testimony on HB 2563. While Sprint is generally supportive of measures that encourage broadband expansion, we oppose HB 2563 because we believe it violates federal law with regard to imposing the Kansas Universal Service Fund (KUSF) assessment on content providers which the State does not have authority to do.

HB 2563 would require broadband internet access service providers and content providers (Netflix, Hulu, etc.) to contribute to fund the KUSF. However, the 1996 Telecom Act limits the services that can be assessed for Universal Service support. The Federal Communication Commission (FCC) decided that it could not tax intrastate services, because the FCC interpreted Section 254(d) of the 1996 Telecom Act which states “[e]very telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis” to the federal USF meant that it could tax only interstate services.

Similarly, Section 254(f) of the 1996 Telecom Act authorizes States to collect a state USF using exactly the same language “[e]very telecommunications carrier that provides intrastate telecommunications services shall contribute, on an equitable and nondiscriminatory basis.” This language requires that states cannot tax anything other than intrastate telecommunications services. As a result, Sprint does not believe the bill could be enforced and therefore we oppose it for that reason.

Thank you.

A handwritten signature in black ink that reads "Patrick R. Fucik". The signature is written in a cursive, flowing style.

Patrick Fucik