



Senate Utilities Committee
Wireless Broadband Presentation
March 19, 2018

Chairman Olson and members of the committee,

Thank you for the opportunity to present written testimony regarding broadband deployment. Verizon is supportive of efforts to improve, expand and enhance broadband in the state. We look forward to working with policymakers and industry stakeholders to explore options to help increase broadband investments in all of Kansas.

Not too long-ago people were saying 5G would not be possible until sometime between 2020 and 2022. Historically, Verizon has always been in the forefront of technology innovation. Verizon has led the transformation of the wireless industry from analog to today's fourth generation LTE service. Now, Verizon is investing in small cells that are needed to meet exploding consumer demand for data, drive innovation, create new jobs, and fuel new services and capabilities such as smart communities, connected cars, smart farming, and the Internet of Things to come.

In Kansas, Verizon has put forth efforts to begin to densify its wireless network in order to meet customers' data demands. The company's spending on small cells could increase in the months and years to come as it works to build out 5G network technology and obtains permission from cities and other local regulators to deploy these facilities. But, as you know, it takes a little while to work through the city governments and for them to understand the rich services these small cells provide to their citizens.

In 2016, when the small cell siting bill was passed that went into effect Oct. of 2017, Verizon was the first to work with cities in Kansas to deploy these small cells facilities and encountered an unexpected challenge regarding franchise fees and use of the ROW. Nonetheless, Verizon continued forward to build that partnership with the cities and is making their investments to meet the wireless broadband demand and drive innovation to make customers lives much better in Kansas.

The state can play a significant role to expand capacity to existing wireless networks while improving infrastructure by reforming the regulatory framework and accelerate investments in our economy. Principle regulatory elements for a transparent and predictable framework to encourage and incentivize investment of broadband in Kansas may include:

1. Resolve the interpretive disputes or ensure uniform application of the law to provide certainties for all parties to streamline placement and reduce fees
2. Adopt a general exclusion to franchise fees for DAS and small cell deployments,
3. Reduce or cap certain fees and leases on city-owned structures
4. Adopt a sales tax exemption for telecommunications machinery and equipment.

Adoption of these principles will further incentivize capital investment and provide significant efficiencies and accelerate wireless broadband deployment to densify urban areas and drive investment and broadband deployment into the rural areas. These elements minimize the burden of public funding and avoid taxing a particular segment of industry and citizens in Kansas.

Thank you for the opportunity to present on increasing broadband across the state. We look forward to working with you on broadband expansion to benefit all Kansans.

Respectfully,

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