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Proponent Testimony of Senate Bill 375

**Testimony by CenturyLink
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Thank you Chair McGinn and members of the Committee. My name is John Idoux and I am CenturyLink's Director of Governmental Affairs. I appreciate this opportunity to express CenturyLink's support for the state broadband grant component of Senate Bill 375 (Section 3).

CenturyLink Introduction

CenturyLink is a technology leader delivering hybrid networking, cloud connectivity, and security solutions to customers around the world. Through its extensive global fiber network, CenturyLink provides secure and reliable services to meet the growing digital demands of businesses and consumers. CenturyLink strives to be the trusted connection to the networked world and is focused on delivering technology that enhances the customer experience.

In Kansas, CenturyLink has provided communications services under various names since 1909 and today serves rural Kansans in 119 communities including Junction City, Fort Riley, Gardner, and 111 communities with less than 1000 residents. CenturyLink began deploying broadband in Kansas in 2002 and today has fiber connections to all 119 exchanges. CenturyLink has invested more than \$710 million in Kansas in rural, urban and long-haul network facilities and has more than 6000 route miles of fiber optics throughout the state with more than 110,000 network connections.

The Need for a State Broadband Fund

CenturyLink strongly supports the legislative intent of a state broadband grant program to ensure that every Kansan and every appropriate location in Kansas has access to high speed broadband services. CenturyLink has long advocated for a properly structured state broadband grant program including an appropriate funding source which is included as Section 3 of Senate Bill 375. If properly structured and administered, a state broadband grant program has the potential to promote rural broadband deployment. Indeed, generally accepted economic principles and business models are serious challenges for private investment to deploy broadband networks in the most rural portions of the state without some sort of public-private partnership.

A Properly Structured State Broadband Fund Includes Proper Funding Source

A properly structured state broadband grant program would ensure public funding assistance: (a) goes only to areas unserved by a broadband provider, (b) does not compete where private investment has already deployed broadband facilities or (c) duplicate where other government assistance is targeted. A properly structured state broadband grant program would also have a proper funding source. House Bill 2618 is a companion bill which proposes to create such a state plan and Senate Bill 375 provides the needed funding source. Together, these proposals will serve as a foundation for a public-private partnership to promote the basic needs of rural residents that cannot be served by market-based principles is one of the primary roles of state government.

The needs for rural broadband will quickly outpace the available funding but it is critical that the State start at a level that can be justified and administered. With an initial appropriation of \$5 million annually for the first three years, the Transportation and Commerce departments can implement a world-class program which can be expanded in future years.

It is important to provide the Department of Transportation and Department of Commerce with enough flexibility to implement and modify the program as needs are identified, refined and changed over the course of the 10-year initiative. To this end, it may be beneficial to allow the Departments to evaluate the grant funding percentage as a scoring factor rather than include the statutory maximum of 50% of total construction. This hard limit will result in some of the most rural areas of the state from benefiting from the state broadband grant program.

Conclusion

Increased deployment of broadband services and infrastructure will improve the long-term quality of life for all Kansans and will ensure that Kansas continues to compete locally and globally. Senate Bill 375, in conjunction with the implementation of a state broadband grant program as envisioned in House Bill 2618, is a good step toward those goals. Thank you for your consideration.