



Mike Scott
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Testimony on HB2449

OPPONENT

House Energy, Utilities & Telecommunications Committee

Wednesday, February 7, 2018

Chairman Seiwert and Members of the Committee:

I write today to testify in opposition to HB2449. Similar legislation (HB2061) was introduced during the 2017 session and remains in this Committee. AT&T opposes both HB2449 and HB2061.

HB2449 would amend the Kansas Video Competition Act to allow any entity that provides a packet delivery system for video service to obtain a statewide video franchise. Put simply, if an entity provides a fiber network system, they would not have to get a franchise from each municipality it operates in, even if they do not intend to provide video service. The bill also changes the definition of how video services are provided by no longer limiting it to wireline facilities but expanding it to include video services provided through any facility. Wireless services should not be made part of the Video Competition Act.

The bill would require the Kansas Corporation Commission (KCC) to issue a Video Services Authorization to a Competitive Video Service Provider who built their system for video services or who will resell video service over a broadband network. However, the bill does not deal with the obligations imposed later in the Act concerning the actual provision of video services, i.e., PEG Channels and Emergency Broadcast System or the payment of franchise fees. If the entity is not going to provide video services, how will they be able to meet the obligations of the Video Competition Act? Additionally, revenue from internet access plans are currently not included in the calculation of franchise fees. For example, AT&T pays a franchise fee on the provision of our U-verse television service, but not on other services that are bundled with that service. We oppose the idea of paying franchise taxes on internet services based on the precedent it would set and concerns of unintended consequences.

The purpose of the Video Competition Act was to open and incent competition in the market for television service in Kansas and it worked. HB2449 does not further that purpose. The provisions of K.S.A. 17-1902 already apply to competitive infrastructure providers who will not be seeking to provide video services and makes clear that those providers may be required to enter into a municipal franchise agreement. AT&T views the changes proposed to the Video Competition Act under HB2449 as unnecessary. The

current Video Competition Act is working as intended and treats video service providers fairly and consistently.

On behalf of AT&T, I respectfully ask that you reject HB2449. Thank you for your time and consideration.

Respectfully submitted,

A handwritten signature in blue ink that reads "Mike Scott". The signature is written in a cursive style with a large initial "M".

Mike Scott
AT&T Kansas President