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March 14<sup>th</sup>, 2022 SB 547 Opponent Written-only Paula Schwach, Mayor, Westwood Hills On Behalf of the cities of: Prairie Village, Mission, Merriam, & Westwood Hills 785.845.7265 <u>Schwach3p@gmail.com</u>

## Testimony in Opposition to Senate Bill 547 Senate Federal & State Affairs Committee

Chairman Olson and Members of the Senate Federal & State Affairs Committee:

The cities of Prairie Village, Mission, Merriam, and Westwood Hills wish to express our strong opposition to SB 547 which we believe presents several concerns for cities. SB 547 would remove providers of direct broadcast satellite services and providers of streaming services from the Video Competition Act. We believe this bill weakens and undermines management of the public right of way. We urge you to oppose the bill for the following reasons.

SB 547 seeks to remove direct broadcast satellite services and any streaming platforms from franchise fees. SB547 ignores the rapidity with which technology for and methods of delivery of content are now changing. The end consumer does not distinguish among delivery methods and neither should the Kansas legislature. All delivery methods and providers should be subject to local requirements related to the municipality's right-of-way and subject to a franchise fee. Otherwise, the legislature is treating similar services dissimilarly and favoring one provider/method of delivery of content over another while continuously chipping away at local revenue sources and local control.

Carve-out efforts are not new or surprising efforts from this industry. Most recently, with the passage of 2020 SB 380, municipalities were prevented from requiring service providers from submitting applications or fees for the placement of facilities on utility poles. This essentially gave the cable industry access to the right-of-way—for free—while at the same time denying cities any oversight or financial compensation. Furthermore, SB 547 imposes initial costs on municipalities for audit of content providers without the offsetting right of a franchise fee and provides a hold-harmless 10% "fudge factor" to the content provider even if found at fault for under-reporting of fees. This will only encourage the latter as a business practice.

Thank you for your consideration and I welcome any questions or further discussion you may have on this matter.

Submitted by Mayor Paula Schwach, Westwood Hills On Behalf of the Cities of Westwood Hills, Prairie Village, Mission, and Merriam