

**Kansas Senate Utilities Committee
KRITC/SITA, Rural Telco Testimony SB 346
Jason Smith
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February 3, 2016**

Good Afternoon, my name is Jason Smith and I am the Assistant General Manager for Rainbow Communications headquartered in Everest. I appear today in support of SB 346.

I would like to thank Chairman Olson and the Senate Committee on Utilities for allowing members of the State Independent Telephone Association and Kansas Rural Independent Telecommunications Coalition the opportunity to speak with you today about the rural independent telecommunications industry in the State Kansas.

Rainbow Communications is one of 37 Rural Independent Local Exchange Carriers in the State of Kansas. The rural telcos provide voice and broadband services to over 50% of the land mass in the state of Kansas. Reaching the most rural communities throughout the state, some of the rural telco service areas have a population density as little as 1.6 people per square mile.

The rural telcos are designated by Kansas Statute 66-2009 and the FCC as a Carrier of Last Resort (COLR) and by law are required to provide service to any customer in their service area that requests it, even if serving that customer is not economically feasible. For providing service as the Carrier of Last Resort, the carrier shall be entitled by the statute to recover the costs of serving as the Carrier of Last Resort.

To maintain providing a first class telecommunications service at an affordable price, as established in the 1996 Kansas Telecommunications Act, the rural telcos are building robust networks to meet the growing demands of the rural customers. These rural networks provide voice, data, and broadband access to agribusiness, automotive, retail, and manufacturing companies that allow them to compete in a worldwide market. In addition to businesses; healthcare, community, and education institutions access our state-of-the-art networks to increase the quality of living in the rural area.

The rural telcos are also major employers in the communities where they provide service. In a study conducted by Wichita State in 2010 it was found that the Kansas rural telcos directly employed 1,005 people throughout the state and created \$53,724,000 of wages in rural Kansas.

The rural telco employees give their time and efforts to make their communities better places. They give their time and leadership for community projects, school boards, church councils, 4H clubs, and many more. Along with employees volunteering their time, the rural companies are good corporate citizens that donate time and resources to the events and organizations in their communities.

By offering advanced communications services, the rural telcos allow their customers the ability to live, work, and own a business in the rural area. The Federal and Kansas Universal Service funds have allowed companies like ours to build and maintain networks that make the make offering advanced services to our rural communities possible.

To discuss the statutory changes contained in SB 346, I would like to turn this testimony over to Catherine Moyer, General Manager of Pioneer Communications in Ulysses.