Approved: March 7, 2007
Date

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on February 20, 2007 in Room 241-N of the Capitol.

All members were present except:
Carl Holmes- excused

Committee staff present:
Mary Galligan, Kansas Legislative Research
Dennis Hodgins, Kansas Legislative Research
Mary Torrence, Revisor's Office
Jason Long, Revisor's Office
Renae Hansen, Committee Assistant

Conferees appearing before the committee:
Tom Holland, Representative
Josh Montgomery, Community Wireless Communications
Paul Mosley, Vice Pres Internet Sales and Marketing, Foundation Telecommunications
Jevin Kassleman, Wheatland Broadband
Mike Gammage, Baldwin City
Michael Murray, Embarq
John Federico, Kansas Cable Telecommunications Association
Tim Pickering, AT&T

Others attending:
Thirty-Six including the attached list.

Hearing On:

HB 2484 **Public utilities; rate-making principles; cost-benefit over expected life of generation facility.**

Representative Tom Sloan noted it was not worth trying to work **HB 2484** so therefore, there is no formal testimony.

Hearing on **HB 2484** was closed.

Hearing On:

HB 2448 **Grant program for deployment of wireless high speed internet service.**

Proponents:

Tom Holland, Representative, presented testimony in favor of **HB 2448,** (Attachment 1).

Questions were asked by Representatives: Terry McLachlan, Tom Sloan, and Forrest Knox.

Joshua Montgomery, Community Wireless Communications, presented a short video entitled "Sunflower Journeys" about the Lawrence free net system that appeared on PBS. Additionally, (Attachment 2), he offered testimony in support of **HB 2448**.

Paul Mosley, Vice President Internet Sales and Marketing, Foundation Telecommunications, offered testimony (Attachment 3), in support of **HB 2448** giving some background of the company he represents.

Jevin Kassleman, Wheatland Broadband, (Attachment 4), spoke in support of **HB 2448**, noting some of the ways that companies providing wireless service have served the rural communities in the State of Kansas.

MINUTES OF THE House Energy and Utilities Committee at 9:00 A.M. on February 20, 2007 in Room 241-N of the Capitol.

Written Proponent:

Mike Gammage, Baldwin City, presented written support (Attachment 5), in favor of **HB 2448**.

Questions were asked by Representative: Josh Svaty.

Opponents:

Michael Murray, Embarq, offered testimony (Attachment 6), in opposition to **HB 2448**.

John Federico, Kansas Cable Telecommunications Association, appeared before the committee, (Attachment 7), in opposition to **HB 2448**, noting that there are federal government programs providing low-interest loans to provide high speed access to rural parts of the country.

Questions were asked and comments made by Representatives: Forrest Knox, Tom Moxley, Tom Sloan, and Josh Svaty.

Neutral:

Tim Pickering, AT&T, offered testimony, (Attachment 8), from a neutral standpoint on **HB 2448**.

Questions were asked and comments made by Representatives: Tom Sloan, Peggy Mast, and Rob Olson.

Hearing on **HB 2448** was closed.

The next meeting is scheduled for March 1, 2007.

Meeting adjourned.

HOUSE ENERGY AND UTILITIES COMMITTEE
GUEST LIST

DATE: February 20, 2007

NAME	REPRESENTING
Jim Gackenbach	AT&T
Brent Sayre	AT&T
Bill Moseley	FTI
Patti Krueger	Polsinelli Law Firm
State Rep. Tom Holland	KS House 10th District
Nelson Krueger	Century Tel
Mike Murray	Embarq
Wade Hapgood	Embarq
Mark Schreiber	Westar Energy
Joe Dick	KCBPU
Paul Snider	KCPL
Dave Springe	Curb
Tom Day	KCC
Tim Pickering	AT+T
Linda Yohon	Rural Telephone
Tony Dean	Rural Telephone
Larry Berg	Midwest Energy
Steve Miller	Sunflower
Joe Dick	BPU

HOUSE ENERGY AND UTILITIES COMMITTEE
GUEST LIST

DATE: February 20, 2007

NAME	REPRESENTING
WES ASHTON	AQUILA
Linda Allen	KS Rural Telcos
Dan Murray	Federico Consulting
PHIL WAGGS	KEPCO
Dave Hotthaus	KEC
Nancy Sinter	Public Strategies Inc
Derek Hein	Hein Law Firm
Tom Thompson	Sierra Club
Ed Cross	KIOGA
DINA FISK	VERIZON

STATE OF KANSAS

TOM HOLLAND
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1-800-432-3924

TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
RANKING DEMOCRAT: TAXATION

MEMBER: HEALTH AND HUMAN SERVICES
GOVERNMENTAL EFFICIENCY AND
TECHNOLOGY

February 20th, 2007

Chairman Holmes and Committee Members:

Good morning! My name is Tom Holland and I am the State Representative for the Kansas House 10th District serving the communities of south Lawrence, Baldwin City, Wellsville, and north Ottawa. I am here today to ask for your support of House Bill 2448, a bill establishing the Kansas Wireless High Speed Internet Service Grant Program.

An October 2005 Pew Internet and American Life Project study finds that different Internet access speeds are creating a new divide among Internet users. High speed access users are "pulling away from dial-up users in many aspects of online life", with connection speed usurping experience as being the most significant predictor of online behavior. With high speed Internet access, Kansans can find jobs and Kansas businesses can develop markets for their products and services. While recent broadband adoption rates have been particularly impressive, broadband penetration rate discrepancies still exist between rural versus suburban and urban population areas. Without these connections, many rural Kansans will remain victims of the digital divide, ensnared in economic and educational disadvantages.

Many of my rural constituents do not enjoy high speed Internet access as their local phone companies refuse to provide DSL service beyond the 18,000 foot loop. While I appreciate and wholeheartedly support the need for business decisions to be driven by the bottom line, I also believe it is appropriate for government to create incentives for private firms to step in and help fill the gaps created by the marketplace. In this particular situation, wireless networks are a good choice as an enabling technology for expanding high speed Internet access to rural Kansas communities due to its significant cost advantages and minimal deployment time.

HB 2448 is specifically designed to encourage Kansas corporations to provide wireless high speed internet access to Kansans not having access to DSL or cable modem access services. The bill would authorize the Kansas Corporation Commission to administer the Wireless High Speed Internet Service Grant Program. Specifically, the commission would receive and evaluate business plans and make awards to private entities proposing the development of high speed Internet access service for areas where there is no current residential access to direct subscriber line service. The proposed service would have to provide certifiable downstream transmission rates of at least one megabit per second and upstream transmission rates of at least 384 kilobytes per second. Applicants would also have to show ability to provide the service at a price competitive with the price of the nearest direct subscriber line service. No grant would exceed $50,000, and the grant could only be used towards the acquisition of equipment and software required to furnish the service to customers. The legislation would also require the KCC to prepare and submit to the governor and the legislature an annual report documenting how the state has met wireless infrastructure development goals and objectives for the previous year. The legislation, unless renewed by the Kansas Legislature, would sunset in 5 years.

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High speed Internet access usage continues to grow across Kansas, and that usage is quickly setting the standard for defining ways in which the Internet both can and must be utilized, particularly in terms of economics, education and health care. The downside to this is that high speed Internet access is also simultaneously establishing itself as a hurdle to which Kansas citizens must cross in order to compete in the global digital economy. It is imperative that all Kansans be able to reap the rewards of this exciting technology if we are truly committed to fostering economic development for rural Kansas. HB 2448 is a prudent and economical approach to providing high speed Internet access.

Thank you,

Tom Holland
State Representative – 10th District

COMMUNITY WIRELESS COMMUNICATIONS

February 20th, 2007

Kansas House of Representatives
Energy & Utilities Committee
Capitol Building
Topeka, Kansas

Wireless High Speed Internet Service Grant Program

Testimony
Joshua W Montgomery
President
Community Wireless Communications Co.

When the phone rings in our offices the person at the other end is likely to be a resident of rural Douglas county seeking high speed internet. Though Douglas County is hardly what most would consider rural, many families that live just outside the city limits are left without high speed access to the Internet.

What does this mean for these families? It means that they are at a competitive disadvantage to their peers in urban America.

Education: Unlike the students of only a decade ago, today's students are required to use the Internet on a daily basis. Whether it is generating online content for classes in web programming, posting digital media for art classes or accessing online databases of historical records, students are expected to have access to and make use of the Internet. This means that students who live in rural areas where there is no high speed internet are at a disadvantage to their peers, giving them access to less technology and ultimately fewer opportunities.

Access to Markets: Today's marketplace is faster and more competitive than at any other point in history. Farmers and ranchers who used to compete for business locally and regionally are now competing globally. To compete globally rural residents will increasingly need access to high speed data tools. These tools will eventually enable them to participate in global on demand supply chains and get better prices for their goods.

New Economy: This past week I drove through Pittsburg Kansas and noticed a store that sells craft paper. It occurred to me that in a market the size of Pittsburg keeping such a store viable would be very difficult, until I noticed the ".com" on the storefront. This entrepreneur wasn't selling only to Pittsburg, they were selling globally via the Internet. With storefronts state wide sitting vacant, the legislature should be considering how access to the Internet effects the

P.O. Box 3532, Lawrence, KS 66046 http://www.civicwifi.com

ENERGY AND HOUSE UTILITIES
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COMMUNITY WIRELESS COMMUNICATIONS

economy as a whole. Much like the phone lines and railroads of yesteryear, high speed data is infrastructure that allows rural America to participate in the economy.

In summary, I would like to take this opportunity to support this bill in the strongest terms possible. Though the funds provided are minimal, any entrepreneur will tell you that it is the original investment that gets a company going. In CWC's case this was $75,000 in private equity, however, in many smaller communities these moneys would not have been available. A small challenge grant such as the one proposed by the house of representative will benefit many entrepreneurs and act as seed money to grow businesses in communities that otherwise would have no access to the information superhighway.

P.O. Box 3532, Lawrence, KS 66046 http://www.civicwifi.com Ph. (785) 371-4214 Fx. (918) 809-5693

FOUNDATION TELECOMMUNICATIONS, INC.

9379 Technology Drive
Rogers, Arkansas 72756
Voice: 479-636-8909
Toll Free: 800-833-3353
Fax: 479-636-8997
Web: www.ftionline.com

Kansas House Bill 2448
By Representative Tom Holland
February 20, 2007

Testimony of
Paul A. Moseley
Vice President Internet Sales and Marketing
Foundation Telecommunications, Inc.
Cell: 785-218-2269

Foundation Telecommunications, Inc. (FTI) was formed in February 1998, when FTI was acquired and combined with Lambda Communications. FTI has been recognized in the education industry as a pioneer of innovative high technology satellite based turnkey solutions to distance learning applications for over two decades. FTI currently provides high speed one-way and two-way interactive video, audio, internet connectivity and data satellite network services for K-12 schools and colleges throughout the United States and Puerto Rico for the American Indian Higher Education Network (AIHEC) the Hispanic Educational Telecommunications System (HETS) Satellite Communications Network (SEN) and Correctional Communications, as well as other colleges, universities and independent cable operators.

FTI was formed with the needs of the independent cable and wireless operator foremost in mind. We've eliminated the high cost associated with typical terrestrial bandwidth commitment so that even the smallest operator can offer high-speed Internet connectivity anywhere, anytime.

I would like to speak out in support of House Bill 2448 for the funding of wireless Internet services to underserved rural areas in Kansas. I also support Representative Holland's belief that a law and the watchful eye of the legislature are needed to insure this goal is met. We do not need a repeat of the Integrated Services Digital Network (ISDN) fiasco of the 80's and 90's.

The Digital Divide has moved from our classrooms to our homes and small businesses in Kansas. Many times our children have access to faster and better technology than our small businesses, farmers and ranchers. How can they hope to compete? How can our smaller cities and towns hope to attract economic development and prosperity for their children?

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The introduction of the IPHONE, the IPOD, instant messaging, Presence awareness, Voice Over IP, Hosted Accounting and marketing services, Pandemic awareness and homeland security will mean little in an area that does not even have access to valuable and up to date weather reporting and national and local news. We are putting rural America at risk and I applaud Representative Holland's efforts to correct this. I also applaud the entrepreneurs and the wireless technology that will bring this valuable service to Kansas. We are talking about a technology that can be delivered in weeks, not months. It could be turned up in most locations in less time than it will take this bill to become law. The large telephone and cable companies could implement it today. We are not asking for protection we are asking for support and freedom to meet the needs of our present and potential customers.

I have been in the telecommunications industry for over 40 years. I have served as a District Sales and Marketing Manager for Southwestern Bell, AT&T, Lucent Technologies and I retired from Avaya in 2000. I then took over and completed a Competitive Local Exchange Company (CLEC) in Topeka, Kansas (KMC Telecom) and was extremely successful. We invested over $30M dollars in the Topeka Economy. We would have welcomed the funding that is outlined in this bill. We were the first to introduce an integrated T1.5 service that provided Internet and voice services over the same facility. This made broadband services economically feasible to small businesses. Today the major telephone and cable companies have embraced that model and offer it at lower prices. That is the American Way! Competition is good in all industries.

If wireless service had been available in Western Kansas during the major ice and snow storms would people have gone without communications for 7 days? Would emergency and disaster services have been delivered more effectively and efficiently? Would there have been less property and livestock loss? I think so. I hope you do as well.

I thank you for your time today and I urge you to move Bill 2448 forward.

Thank You,

Paul A. Moseley

Paul A. Moseley
Vice President Internet Sales and Marketing
Foundation Telecommunications, Inc.
800-833-3353

Wheatland Broadband

101 S. Ma.
Scott City, KS 67871
620.872.0006 or 1.866.872.0006
Fax: 620.872.8786
www.wbsnet.org

Comments in support of House Bill 2448:

In 2002, Wheatland Broadband was formed to fill a void left open in rural western Kansas. That void was to provide high speed internet access to our rural area. When many people think about "rural America" or the use the term "the last mile" they are still leaving a huge void of people that will not have access to high speed internet. In my opinion, these terms are used to classify sparsely populated areas that it is not deemed viable or profitable to provide this type of service to them. To us at Wheatland Broadband, these terms are defined not only as the people that live in small rural communities but the people that choose to live on the farm, far from any signs of civilization.

Using the recourses that were available to us we have been able to build a wireless network that covers nearly 10,000 square miles of western Kansas. The people within this area are now able to surf the internet beginning at speeds 24 times faster then what they used to be able to. Approximately thirty percent (30%) of these people live outside of any organized communities. We have been so successful in our endeavors that in one county we are serving over forty (40%) of the households based on 2000 census data.

Many providers do not have these kinds of recourses available to them. House Bill 2448 if passed will give these providers the capital to expand their reach into the vast underserved areas that still exist. These areas contain a market base that wants to have access to high speed services but they are not obtainable currently unless they move. The small providers within these areas have taken a risk to bring services to these outlying areas and are being successful at it. With your help and the passage of HB2448, these rural areas with the help of their small local providers will be able to achieve high speed internet access while still living on the family farm.

Thank you for your time.

Respectfully,

Jevin Kasselman
Manager
Wheatland Broadband

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ATTACHMENT 4

February 16, 1007

Representative Carl Holmes
Chairman, House Energy and Utilities Committee

Dear Sir:

I have been contacted by Representative Tom Holland regarding HR 2448 and been informed that it may contain a remedy for those of us who do not have access to affordable high speed internet service.

I live in rural Baldwin City, KS and my telephone company is EMBARQ (formally Sprint). EMBARQ has provided Digital Subscriber Lines (DSL) to my neighbors who live in the city limits of Baldwin and to some who live immediately west of the city. For those who live east (me), south, north and far west; we are stuck with Plain Old Telephone Service (POTS). For internet access we must seek either dial-up, wireless broadband or satellite.

At this time my Internet Service Provider (ISP) is a dial-up company. Wireless broadband is available but the first year cost is in the neighborhood of $1400 (equipment and service) and the service in not that dependable. Naturally, better/more dependable service costs more money. Satellite service is available through Direct TV (Hughes) or Dish and their first year cost is about $1500 (equipment and service). With wireless broadband or satellite I would have to hang another transceiver on my house to take advantage of the service. Since our local cable television network does not extend to my location, I already have one satellite dish on my house.

I am a veteran owned sole-proprietor small business. I have a contract with two federal agencies. Both these contracts specify that my work must be completed using the internet. Both contracts specify that I must have a specific software program for virus protection, electronic mail, word processing and spread sheet applications. With a dial-up ISP I cannot receive downloaded updates to most of my software programs. My ISP "times me out" on much of the updates or I have to tie up my only telephone line for hours at a time. The size of the downloaded file and the speed (47 to 49 kbs) of my modem (56 K) put me at a distinct disadvantage to my competitors with DSL or another source of high speed internet service. For the same reason it takes "forever" to transmit (upload) a file to my "employer".

I will not go so far as to accuse EMBARQ of restraint of trade, but their decision not to extend DSL service to all of area code 66006 is not justified. I am hoping your committee can encourage EMBARQ to "do the right thing" for their <u>captive</u> customers or you can do something that would make it financially attractive for them to extend their service.

Respectfully,

Mike Gammage
85 E. 1900 Rd.
Baldwin City, KS 66006

ENERGY AND HOUSE UTILITIES
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ATTACHMENT 5

Voice | Data | Internet | Wireless | Entertainment

EMBARQ™

Embarq Corporation
EMBARQ.com

HB 2448
Outline of Testimony
Michael R. Murray, Director of Governmental Affairs
February 20, 2007

1. HB 2448 limits grants to only wireless technology.

2. Only Embarq's competitors would be eligible for grants.

3. $50,000 grant limit is a drop in the bucket and provides little or not incentive, and the fiscal note could be astronomical

4. Embarq would be funding the cost of the KCC to administer a grant program for its competitors.

5. The term "direct subscriber line service" is undefined, and the "broadband deployment loan fund" does not exist under current law.

6. The term "domiciled" is not defined in this context and could limit grants to only providers incorporated in Kansas.

7. Satellite technology is available nearly ubiquitously throughout Kansas.

ENERGY AND HOUSE UTILITIES
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ATTACHMENT 6-1

Voice | Data | Internet | Wireless | Entertainment

EMBARQ™

Embarq Corporation
EMBARQ.com

Before the House Utilities Committee
HB 2448
Tuesday, February 20, 2007
Michael R. Murray, Director of Governmental Affairs

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to comment on HB 2448.

While the goal of incenting deployment of broadband where it is not economically viable to do so is a laudable one, we have some concerns about the bill's provisions.

First, the bill limits availability of the grants to one technology—wireless. It would not allow a company like Embarq or other incumbent local exchange companies to apply under the grant program. This results in the state subsidizing one type of service provider over another. Under the bill, Embarq would not be eligible for the grants, but our competitors are eligible.

Second, each grant is limited to $50,000 per provider. No provider can make broadband available to rural areas with just one $50,000 grant. For instance, if Embarq were eligible under the provisions of HB 2448, you'd be talking about 120 separate telephone exchanges in which broadband could be extended into the rural areas of those exchanges—at a cost of many, many thousands of dollars each. $50,000 would be a drop in the bucket. And, if the grant limitation was changed to make grants available on a project –by-project, or exchange-by-exchange basis, the cost would be astronomical to the state general fund. We just don't see the state general fund being able to absorb this grant program at this time.

Third, the administration of the grant program is vested in the Kansas Corporation Commission which is funded by assessment on those public utilities which it regulates, such as Embarq. In other words, Embarq, which is prevented from participating in the grant program under this bill, is helping fund the administration of a program which only its competitors--wireless telecommunications companies—can benefit from. Wireless competitors are not regulated by the KCC and do not participate in funding the KCC.

The legislation also refers to "direct subscriber line service" which is a term not defined in the telecommunications statutes, and the bill further speaks of a "broadband deployment loan fund" which is a fund that does not exist, and is not created under this bill.

And finally, the bill further limits eligible applicants to providers "domiciled" in Kansas. There is no one definition of the term "domiciled" under Kansas law.

The issue of broadband deployment has been the subject of discussion in this legislature for a number of years. The facts are incumbent local exchange companies are deploying broadband services further and further into the exchanges they serve. As an example Embarq will have deployed high speed internet access to 100% of its central offices by the end of 2008 which will mean that at least 75% of Embarq's customers will have access to high speed internet service.

Using a different technology, satellite, broadband is available nearly ubiquitously in Kansas because of companies such as Dish Network or Wild Blue. The cost may be a little higher than what is available from traditional telephone local exchange companies, but it is available.

This is not a simple issue and it is fraught with many opportunities to create unintended consequences. We agree with the overall purpose of the bill. But as written, we don't think it will achieve its objective.

We urge you to move cautiously on this issue, and without addressing our concerns with the bill, we respectfully ask that you vote 'No".

Again, thank you for the opportunity to discuss HB 2448 and the issue of broadband deployment.

KCTA

Kansas **Cable Telecommunications** Association

Testimony In Opposition To HB 2448

John J. Federico; Executive Director

On Behalf of: KCTA

February 20, 2007

I appear before you today on behalf of the Kansas Cable Telecommunications Association to reluctantly oppose HB 2448. The KCTA is a professional association representing the interests of both large and small cable telecommunication companies, serving both urban and rural communities in all four corners of the State.

The KCTA embraces the *intention* behind HB 2448, but cannot, in its current form, support the bill because of; 1) certain recognizable omissions, 2) the lack of an identifiable, sustainable funding source, and 3) the duplicative nature of its purpose.

It is important to note that the KCTA's opposition to HB 2448, not be construed as the cable industry having strident opposition to the expansion of advanced telecommunication services to rural communities. Nothing could be further from the truth. The cable industry in Kansas has an impressive track record of investment in product and technology and have invested hundreds of millions of private, unsubsidized dollars in the state so that even the smallest of communities have telecom products available to them equal those available in the largest of cities.

As well-intentioned as HB 2448 is, our opposition to the bill stems from the lack of data that would support the need for such legislation, and the fact that the federal government has a similar program that provides low-interest loans to provide high speed internet access to rural parts of the country that are either un-served or under-served.

In speaking to my members who serve the rural parts of the state, and who would benefit greatly from legislation such as this, they question the need for such a program. Even the smallest of communities, with recent advances in wireless and satellite technology, have high speed internet services available to them if they so choose. Please see attached to my testimony, information on **WildBlue**, a satellite internet service that provides internet access "*at speeds 30 times faster than dial-up*" and is "*available in virtually every home and small office in America.*"

To further illustrate the point that small communities do have options available to them, as it relates to their internet needs, I'll reference just 2 small rural western Kansas communities that have MULTIPLE providers competing for business.

Hoxie, KS (Population 1,200) has four (4) different providers offering high speed internet services.
Munjor, KS (Population 143) has four (4) different providers offering high speed internet services.

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address: 815 SW Topeka Boulevard, Second Floor, Topeka, Kansas 66612 **phone:** 785-290-00

On the federal level, the US Department of Agriculture has been administering a low-interest loan program called the Rural Utilities Service Telecommunications Program (RUS Program). *The purpose of this program is to provide loans for the construction, improvement and acquisition of facilities and equipment, to provide broadband services to eligible rural communities.* Again, please see the attached materials for further information regarding the RUS Program, ...a program that has pumped hundreds of millions of dollars into rural communities, including Kansas.

Mr. Chairman, the KCTA continues to look forward to opportunities to work with this committee and the legislature as a whole to solve problems as they arise. If it is your Committee's desire to advance HB 2448, we would welcome the opportunity to offer input and suggest some changes.

On behalf of the KCTA, thank you for the opportunity to speak to you today and share our thoughts. I am happy to stand for questions at the appropriate time.

WILDBLUE.

ABOUT WILDBLUE

How it Works Demo | Speed Demo | Versus Dial-Up
Questions & Answers | Equipment

WILDBLUE SATELLITE SPEED INTERNET®

WildBlue offers you high-speed Internet access via satellite to almost every corner of the U.S.! Imagine "always on", lightning fast connections to the Internet. No more dialing in. No more delays. No more wondering if high-speed Internet will arrive in your town. Get connected the way you've always wanted to: fast. Click here to Get WildBlue.

Fast	WildBlue is lightning fast. Get download speeds up to 1.5 Mbps and upload speeds up to 256Kbps.	• Speed Demo • Versus Dial-Up • WildBlue For Your Home • WildBlue For Your Office
Available	WildBlue is available to virtually every home and small office in America. Just enter your zip code so we can verify your availability. Check out the minimum system requirements for the WildBlue service.	• How It Works Demo • WildBlue Reaches Me - Real WildBlue Stories
Affordable	With packages as low as $49.95 per month, WildBlue is very affordable. All of your ISP services like email and web space are included. Get this great value in wireless broadband today!	• Packages & Prices - For Your Home • Packages & Prices - For Your Office

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Packaging and pricing information for your ho
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QUESTIONS & ANSWI
We've got answers to y frequently asked questi
Learn More

WILDBLUE REACHES
Real WildBlue Storie
"I never thought we wc get this great a service in the boondocks..."
John,
Bandera, TX
Read More

BBBOnLin RELIABILIT PROGRAM

WILDBLUE.

QUESTIONS & ANSWERS

The following are answers to commonly asked questions about WildBlue. Feel free to contact us if you need more information.

General Information:

1. What is the WildBlue service and where is it available?
2. Why should I get WildBlue?
3. How hard is it to use?
4. Who do I call if I have a problem?
5. What equipment is needed to get the WildBlue service?
6. What are my computer system requirements to get WildBlue?
7. Are there any cancellation fees?
8. What kind of speed can I expect?
9. Can I be a WildBlue dealer or installer?

Services and Prices:

10. What does WildBlue cost?
11. What email do I get with my WildBlue account?
12. Do I get web space with my WildBlue account?
13. Do I get dial-up service with my WildBlue account?
14. If I have WildBlue, do I need an additional account with an Internet Service Provider (ISP)?
15. If I sign up for WildBlue service, can I keep my AOL® account?
16. Do you limit heavy bandwidth users?
17. Do you offer a limited warranty on the equipment?

Availability Information:

18. Where can I get WildBlue?
19. Will your service be available in Alaska, Hawaii or Puerto Rico?
20. Can I get WildBlue service in a mobile vehicle like an RV or boat?

Installation Information:

21. What is the installation process like? Can I install my own dish?
22. Will my Home Owners Association allow mounting the WildBlue dish?
23. Can I use wireless home networking with WildBlue?
24. Do customers have to have a phone line in addition to the satellite connection?
25. Do I need a southern line of sight to receive a signal from your satellite?

Technical Information:

26. How fast is this service? How does it compare to cable modems and DSL?

ABOUT WILDBLUE
WildBlue offers you hig
Internet access via sate
almost every corner of
Learn More

GET WILDBLUE
Get WildBlue's remarka
high-speed Internet ser

WILDBLUE REACHES
Real WildBlue Stories
"WildBlue satellite Inter
service substantially ex
my expectations for spe
reliability..."
John,
Bandera, TX
Read More

7-4

27. What operating systems are compatible with the WildBlue service?
28. Will WildBlue work with Macintosh computers?
29. What Web browsers and email clients does WildBlue support?
30. What is the impact of latency? Can I play real-time Internet games or make Internet phone calls on your service?
31. Does WildBlue support VoIP?
32. What if my computer did not come with a Network Interface Card (NIC)? What can I do?
33. Is the WildBlue service affected by weather?

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General Information:

1. **What is the WildBlue service and where is it available?**
   WildBlue is a high-speed Internet access service for homes, home offices and small offices. It is available in virtually every location across the contiguous United States.

2. **Why should I get WildBlue?**
   WildBlue provides access to the Internet at much higher speeds than dial-up access: up to 1.5 Mbps which is more than 30 times faster than dial-up. A whole new world of content will open up to you with your broadband connection. And with WildBlue, you get an "always on" connection which means no dialing-in to get high-speed access to the Internet.

3. **How hard is it to use?**
   Not hard at all. Once we professionally install your WildBlue system which will take 2 to 3 hours, you are ready to surf the Internet at lightning fast speeds. You can use your same web-browser, go to the same sites, use your email, etc. just like you always have...but a lot faster! And it's always on so no more dialing-in delays, or getting "bumped off."

4. **Who do I call if I have a problem?**
   You just call the friendly customer care agents at WildBlue. We'll have a person you can talk to, 24 hours a day, 7 days a week. **Customer Care:** 1-866-WildBlue (945-3258) (toll free)

5. **What equipment is needed to get the WildBlue service?**
   It's easy. All you need is a WildBlue mini dish and a WildBlue modem. Learn more about the equipment.

6. **What are my minimum computer system requirements to get WildBlue?**
   Most computers in use today will meet our minimum system requirements. If you don't know if you meet them, please contact us and we can help you figure it out.

   PC/ Windows: 300 MHz or faster processing speed, minimum 128 MB Random Access Memory (RAM), and Windows 2000, XP Home or XP Professional operating system. 100 MB of hard drive space and an ethernet card are required.

   Macintosh: 300 MHz or faster processing speed, 128MB Random Access Memory (RAM), and OS 10.2 or higher operating system. 100 MB of hard drive space and an ethernet card are required.

7. **Are there any cancellation fees?**
   WildBlue customers are required to sign a 12 month contract when they initiate service. If you disconnect your service before the 12 months expire, there will be a cancellation fee equal to the price of your monthly service multiplied by the remaining number of months in your contract.

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8. **What kind of speed can I expect?**
   WildBlue offers packages that provide different speed levels. Our core Value Pak offers up to 512 Kbps download speed and up to 128 Kbps upload speed. Our Select Pak features download speeds up to 1.0 Mbps and upload speeds up to 200 Kbps. Our Pro Pak offers download speeds up to 1.5 Mbps and upload speeds up to 256 Kbps. View our speed demo.

9. **Can I be a WildBlue dealer or installer?**
   Yes, if you qualify. Learn more.

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Services and Prices:

10. **What does WildBlue cost?**
    The WildBlue equipment price is $299.00 (MSRP) and professional installation is $179.95 (MSRP) plus taxes. Check out current promotions and special offers.

    We offer a variety of service packages, including a Value Service at $49.95 per month. Learn more about the packages and prices we offer for your home and small office.

11. **What types of email options do I get with my WildBlue account?**
    WildBlue offers an advanced suite of Internet services including the commonly used POP3 (like Outlook or Outlook Express) and web-based email options. WildBlue customers will receive between 5 and 10 email addresses (each with at least 25 MB capacity depending on the package chosen). More email addresses and additional capacity are available for a minimal extra charge. Learn more about the packages we offer for your home or small office.

12. **Do I get web space with my WildBlue account?**
    Yes. WildBlue provides customers with between 10 and 20 MB of web space as part of their WildBlue service package. The exact storage space depends on which package you choose to buy. Learn more about the packages we offer for your home and small office.

13. **Do I get dial-up service with my WildBlue account?**
    Yes. WildBlue includes a remote-access dial-up service to its WildBlue Pro Pak customers, allowing customers to access their email when they are not at home or out of the office. If you are a Value or Select Pak customer, dial up service costs $7.95 / month. Instructions for remote access will be included with your installation. Learn more about the packages we offer for your home and small office.

14. **If I have WildBlue, do I need an additional account with an Internet Service Provider (ISP)?**
    No. The WildBlue service includes all key ISP features like email, web space, etc. If you prefer, you can continue to use your current ISP for email and use the WildBlue service for your broadband Internet access. See your current ISP for details as separate ISP charges may apply.

15. **If I sign up for WildBlue service, can I keep my AOL® account?**
    Yes, if you prefer. You can use WildBlue for high-speed broadband Internet access and keep your AOL® service if, for example, you want to retain your current email account. You will need to pay a separate fee directly to AOL® beyond your monthly WildBlue fee. Please contact AOL® directly for more information.

16. **Do you limit heavy bandwidth users?**
    As is standard with other Internet Service Providers, WildBlue ensures that its service operates at optimum speeds for all of its customers. Since WildBlue is a shared network, we have a Fair Access Policy to ensure that extraordinary usage by a few customers

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doesn't negatively affect the normal usage of other customers. For the vast majority of users, the Fair Access Policy has no effect on their usage. For a few very heavy bandwidth users, the system may restrict their bandwidth and therefore their speed. See WildBlue's Fair Access Policy.

17. **Do you offer a limited warranty on the equipment?**
Yes. You will receive a 90 day labor/12 months parts limited warranty on all equipment at no charge when you become a customer. View our one-year limited warranty.

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Availability Information:

18. **Where can I get WildBlue?**
We are selling WildBlue service and equipment through a variety of distribution channels. You are able to buy from many local satellite TV dealers and selected National Rural Telecommunications Cooperative telephone and electric companies. Find a dealer in your area.

19. **Will your service be available in Alaska, Hawaii or Puerto Rico?**
Not at this time. The WildBlue service will be available only in the 48 contiguous United States due to the reach of our satellite signals. At present, we do not have plans to serve Alaska, Hawaii or Puerto Rico.

20. **Can I get WildBlue service in a mobile vehicle like an RV or boat?**
Not at this time. WildBlue service was designed for stationary locations like homes and small businesses. We do not offer broadband service for mobile vehicles at this time.

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Installation Information:

21. **What is the installation process like? Can I install my own dish?**
WildBlue professional installers quickly and efficiently install equipment and activate WildBlue's broadband service at your chosen location. The satellite mini-dish is about 26 inches x 28 inches and can be easily mounted on a roof, outside wall or in the ground. A cable from the dish connects to a satellite modem (a small box usually placed next to the computer), which connects to your computer via an Ethernet connection. Installation requires an installation professional to make sure that the dish is pointed at the satellite accurately and to verify that all connections are made properly. Self-installation is not offered. See our How it Works Demo.

22. **Will my Home Owners Association allow mounting the WildBlue dish?**
The WildBlue dish is considered under what the FCC calls the "Over-the-Air Reception Devices Rule". This means the WildBlue dish is under the same classification as other residential satellite dishes (such as satellite television) and legally permittable for mounting on your home. As always, please check with your HOA for specific rules and covenants that may alter your rights. For additional information on the FCC ruling and dish classification, view the FCC OTARD documentation.

23. **Can I use wireless home networking with WildBlue?**
Yes. WildBlue is compatible with all major wireless home networking products.

24. **Do customers have to have a phone line in addition to the satellite connection?**
No. WildBlue offers an efficient 2-way broadband connection that requires no phone lines.

25. **Do I need a southern line of sight to receive a signal from your satellite?**
Yes. You will need a clear view of the southern sky to receive a signal from the WildBlue satellite.

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Technical Information:

26. **How fast is this service? How does it compare to cable modems and DSL?**
WildBlue's always-on broadband Internet connection provides a user experience similar to most DSL services. We offer download speeds of up to 1.5 Mbps - more than 30 times faster than today's dial-up speeds. We offer upload speeds up to 256 Kbps. WildBlue's high bandwidth opens up a window to a world of rich content that is largely unavailable through dial-up modems. See our WildBlue Speed Demo.

27. **What operating systems are compatible with the WildBlue service?**
Windows/PC: Windows 2000 or XP
Mac: OS 10.2 or higher

28. **Will WildBlue work with Macintosh computers?**
Yes. The WildBlue service is compatible with Macintosh computers.

29. **What Web browsers and email clients does WildBlue support?**

Web Browsers:

Windows/PC:	Internet Explorer 5.5 & 6, Netscape 6 & 7.x, Firefox 1.x
Mac:	Netscape 7.x, Safari 1.x, Firefox 1.x

Email Clients:

Windows/PC:	WildBlue Webmail, Outlook Express 5 & 6, Outlook XP & 2003, Netscape Mail 6 & 7, Thunderbird
Mac:	WildBlue Webmail, Outlook Express 5, Outlook 2001, Outlook 2004, Netscape Mail 6 & 7, Apple Mail, Thunderbird

30. **What is the impact of latency? Can I play real-time Internet games or make Internet phone calls on your service?**
The WildBlue system is engineered to help offset the impact of latency, which is the delay caused by sending signals from the earth to the satellite and back again. However, there is a delay as the signal travels up to the satellite, back down to the gateway, up to the satellite and back down to your modem. For most applications this latency does not affect performance, however, there are some applications like voice over IP (telephone service delivered over the Internet, also known as VoIP), or real-time interactive gaming, where latency will have a noticeable effect on performance over the WildBlue network, as it would on any satellite-delivered service.

31. **Does WildBlue support VoIP?**
At this time, WildBlue does not support VoIP.

32. **What if my computer did not come with a Network Interface Card (NIC)? What can I do?**

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Many computers can be upgraded with a 10/100 Ethernet Network Interface Card (NIC) - which you can find at almost any consumer electronics store, or at an online store. If you are comfortable with opening your computer and installing hardware, most Ethernet NICs can be self-installed. Otherwise you may want to hire a computer professional. Check with your computer manufacturer for more information on the right Ethernet NIC for your system.

Also, if you have an available USB port on your computer, you can purchase a USB Ethernet adapter (available at almost any consumer electronics store, or online). This may be easier to install than a PCI card in your computer. For a laptop, you can purchase a standard PCMCIA card that provides an Ethernet connection, or you can purchase a USB Ethernet adapter as well. We recommend that you upgrade your computer to meet all of the requirements listed above to get the most out of your Internet experience.

33. **Is the WildBlue service affected by weather?**
The WildBlue service is only minimally affected by weather, and only under extreme conditions. The WildBlue service will offer availability equal to that of satellite TV. Like satellite TV services, during a very heavy rainstorm, you may notice slower WildBlue speeds, but this should normally only last a few minutes.

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If you have any more questions, please contact us.

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USDA Rural Development continues to provide many programs for financing rural America's telecommunications infrastructure. The traditional "telephone" loan program, consisting of hardship, cost of money, and guaranteed loans, finances voice telephone service, and since 1995, every telephone line this program has constructed has been capable of providing broadband service using digital subscriber loop (DSL) technology. The Distance Learning and Telemedicine program continues its charge of bringing electronic educational resources to rural schools and improving health care delivery in rural America.

Loans

Broadband Loans
Rural Broadband Access, to provide loans and loan guarantees to fund the cost of construction, improvement, or acquisition of facilities and equipment for the provision of broadband service
in eligible rural communities. This final rule prescribes the types of loans available, facilities financed, and eligible applicants, as well as minimum credit support requirements to be considered for a loan.

Expedited Telecommunications Loan and Loan Guarantee Program
The Rural Utilities Service (RUS) Telecommunications Program assists the private sector in developing, planning and financing the construction of telecommunications infrastructure in rural America. The RUS program is dedicated to lend to the limits of the RE Act definition of "telephone service". Where prudent, we are changing our regulations to provide the greatest amount of flexibility necessary to meet the challenges of ensuring that high quality, affordable, advanced services are deployed in rural America.

Infrastructure Loans
USDA Rural Development continues to provide many programs for financing rural America's telecommunications infrastructure. The traditional "telephone" loan program, consisting of hardship, cost of money, and guaranteed loans, finances voice telephone service, and since 1995, every telephone line this program has constructed has been capable of providing broadband service using digital subscriber line (DSL) technology.
Rapid Re-finance
IMPORTANT NOTICE: As of August 25, 2006, the Rural Development Rapid Refinance Program has been suspended until further notice. We are not accepting new applications for this program, but we will continue to process applications already received and will continue to advance funds on approved loans.

Frequently Asked Questions

- ## What is the RUS Broadband Loan Program?

  The Rural Broadband Access Loan and Loan Guarantee Program is a program offered by the Rural Utilities Service (RUS) to encourage deployment of broadband telecommunications services to rural America. The primary goal is to ensure that rural consumers enjoy the same quality and range of telecommunications services that are available in urban communities.

- ## What is the loan money used for?

  This program will provide loans for the construction, improvement, and acquisition of facilities and equipment to provide broadband services to eligible rural communities.

- ## Is this program strictly for Telephone Companies?

  No, almost anyone can participate, including cooperative, nonprofit, limited dividend or mutual associations, limited liability companies, Indian tribes, and commercial organizations. State or local governments will be eligible for a broadband loan only if no one else has committed to offer broadband services to a particular rural community before May 2003.

- ## What types of loans will be available?

  This program will offer three types of loans: Direct cost-of-money, Direct 4 percent, and Private lender.

- **Can these funds be used to overbuild an existing system?**

  Yes, provided that the community to be served does not already have broadband services. If the incumbent telephone companies are not offering broadband services and no one has made a prior commitment to construct a broadband system, these funds can be used to overbuild a community.

Testimony of Timothy S. Pickering, General Attorney – AT&T Kansas
220 SE 6th Street, Topeka, Kansas 66603 (785) 276-8411
Regarding HB 2448
Before the House Energy and Utilities Committee
February 20, 2007

Chairman Holmes and members of the Committee, good morning. My name is Tim Pickering and I am the General Attorney for AT&T Kansas. We appreciate the opportunity to speak to you today on HB 2448. AT&T Kansas has taken a neutral position on this bill. We offer the following information we hope will aid you in your considerations on this bill.

First, the Committee should evaluate whether this grant program is needed in light of the widespread broadband deployment in Kansas. You may recall from previous testimony this session before this Committee that near 100% of Kansans have access to at least one broadband provider. In areas served by AT&T Kansas, our wireline DSL service is available to more than 80% of our customers in the state. All other AT&T customers with a clear view of the southern sky have access to a satellite broadband offering through Wild Blue.

In addition to these options from AT&T, Kansans may select broadband offerings from cable modem providers, other DSL providers, and wireless, cellular, and satellite providers. New technologies using power lines and even gas pipes have also attracted attention – and more importantly, investment capital – as additional modes for delivering broadband in the state. An important question for this Committee to consider then is, in light of the role private enterprise has played in bringing broadband to every corner of the state, what impact would government intervention in this market have on future innovation and investment?

Second, any state funding for this grant program should be from the general fund. The current version of this bill does not provide for a direct appropriation of funds to the grant program. We urge you to resist any suggestion to create new, or increase existing, industry fees or charges, which already make up a significant portion of customer bills. If you determine that the policy purposes behind HB 2448 are vitally important, then the bill should be funded through private and federal grants (as it is now written) or directly out of the state's general budget.

Third, there are some potentially confusing phrases in the bill that should be reviewed:

- Page 1, line 26: "domiciled in Kansas." The purpose of this section is unclear, but this language could be interpreted to exclude out-of-state businesses from taking advantage of the grant program. Many companies, such as AT&T Kansas, may technically be "domiciled" in another state and yet they employ thousands of Kansans and have invested millions in the state. We recommend that this language be stricken if the bill advances.

- Page 2, lines 37 and 43: Comparisons to "direct subscriber line" service. It appears that the correct terminology is "digital subscriber line." Also, requiring a grant recipient to agree to provide "service at a price competitive with the price of" DSL service may not be feasible (see page 2, line 42-43). It is not cheap to deploy advanced communications networks, even if partially subsidized. Current wireless high speed Internet offerings in the state at the "speed" levels contemplated in this bill (384 kbps "upstream" and 1 mbps "downstream") are priced in the $60 per month range, which is significantly higher than similar DSL offerings.

Thank you for your time this morning.

ENERGY AND HOUSE UTILITIES
DATE: 2/20/2007
ATTACHMENT 8