

February 6, 2012

The Honorable Carolyn McGinn, Chair
Senate Ways and Means Committee

Reference SB 336: Creating the Disaster Reimbursement Fund with KUSF funds.

Good morning Madam Chair and members of the Senate Ways and Means Committee. My name is Ernest Kutzley and I am the Advocacy Director for AARP Kansas. We have more than 340,000 members living in Kansas. We are dedicated to enhancing the quality of life for all as we age. Thank you for this opportunity to submit our written opposition to SB 336.

AARP has more than 340,000 members living in rural and urban Kansas who rely on phone service to meet basic needs. Telephone communication is a basic necessity that allows older people to maintain social contact, preserve health and safety, and gain assistance in an emergency. Older households (age 65 and older) spend about twice as much of their income (4 percent) as younger households (2 percent), just to use the average amount of telephone service.

The Kansas Universal Service Fund (KUSF) was created by the enactment of House Bill 2728 (Telecommunications Act) by the 1996 Kansas Legislature. The purpose of the KUSF is to assure quality services be made available to all Kansans.

- KUSF support is distributed back to the local telephone companies and designated eligible telecommunication carriers to offset the costs of providing service.

The KUSF also supports the following:

- Lifeline - assistance to the disadvantaged (matched by federal universal funds)
- Kansas Relay Services, Inc. - hearing impaired relay center service
- Telecommunications Access Program - to provide terminal equipment for disabled individuals
- Support network enhancements and upgrades in rural areas.

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This legislation would create an additional collection of \$10 million per year for a total of \$40 million to be used for disaster reimbursement through the Kansas Universal Service Fund (KUSF) which would be an additional burden on telephone consumers, especially those living on fixed income.

Therefore, AARP Kansas opposes SB 336 because:

- The bill would use the KUSF to collect funding for purposes totally unrelated to telecom;
- It would significantly increase the KUSF charge, which would further make telephone service unaffordable for some lower and fixed income households; and
- The increase in the charge could also create opposition to the KUSF altogether, risking funding that is needed for rural areas and to support Lifeline service.

Therefore, we respectfully request your opposition to SB 336.

Thank you for this opportunity.

Ernest Kutzley