Central
National Bank

February 4, 2016

Mr. Chairman and Members of the Committee,

Thank you for allowing me to present today. I am Sara Girard, President-Elect of Central National Bank, and I am here in support of Senate Bill 346. I'm not here to discuss the specifics of this bill, but instead to convey to you how it would help my company, rural Kansas communities, and the economy of Kansas in general.

Central National Bank was founded in 1884 in Junction City, and since that time we have grown to one of the largest banks chartered in our state, with locations in 21 Kansas communities and nearly a billion dollars in total assets. This April, I'll become the fourth-generation member of the Rolfs Family to serve as the president of our bank. A map of our locations is attached to my testimony, and you will note we have built much of our growth around a rural-market model. The average population of the communities where 23 of our branches are located is less than 9,000 people. Our strategic growth plans are not to make a play in Johnson County, Kansas or Denver, Colorado; instead, we plan to grow our presence in agricultural areas. Last year, we expanded to Great Bend. This year we plan to open a new facility in Wamego.

Our bank's mission statement is "Dedicated to providing the quality service that makes our customer and the communities we serve successful."

The phrase "quality service" has evolved significantly in the banking realm. In my great grandfather's day, quality service was a handshake across a desk; today, it is a 24/7 banking access spanning multiple channels, including bank branches, telephone, online, ATMs and smart phones. Our bank is committed to leading the way for technological innovation that benefits our customers; however, we encounter challenges serving our rural client base with the first-class customer service experience they deserve due to lack of availability of high-speed broadband.

I will provide you with an example from a very small town where we operate a bank branch. Financial information is extremely sensitive, confidential data and must be transmitted in only the most secure format, which for us is hard-wire broadband between our operations center and our branch. Today, we have a 1.5 megabit per second MPLS data connection, which is basically a trickle compared to speeds currently available in metro areas. Ultimately, this low bandwidth means it takes us longer to answer customers at our rural branch than it does in metro areas. As we continue to enhance our technology offerings to utilize more web-based tools or incorporate new technologies such as video chat, our bandwidth needs only increase. We need and want to upgrade our bandwidth, but have found the cost to do so is prohibitive – we would spend nearly $8,500 per month to increase our speed 5 megabit per second fiber optic connection due to the lack of availability and infrastructure in that community.

Our customers face these challenges as well. Merchants in many of our rural markets have been slow to introduce important convenience services that also mitigate their risks, such as remote check scanning, e-collections of checks, or accepting card-based payments. Furthermore, the lack of available high-speed internet prevents us from better serving our consumer customers as we preform upgrades and add new products and services which are solely web-based.

The bottom line is that our bank has a mission-critical function to send and receive large amounts of data quickly and securely, and state of the art telecommunication services are essential to accomplish. The Independent Telephone Companies play an important role in our rural markets. I am literally amazed at their dedication to those communities and their ability to deliver the best service economically feasible.

One other current bank project I wanted to highlight for your committee is in progress in Concordia. Our bank acquired the branch in Concordia from United Missouri Bank in 2005 during a strategic effort by their company to exit several rural markets. Since that time we have been an involved community partner, introducing the first image deposit ATM to the town, building a custom debit card program for Cloud County Community College, and just recently donating $50,000 to the local hospital. During 2016 we are overhauling our Concordia bank facility to make it more customer-centric and incorporate new technologies to improve the banking service and experience. We will install cash recyclers in this facility, making teller transactions twice as fast. We cannot offer these technologies and deliver the service levels we expect without access to high-speed telecommunications.

A side note regarding Concordia – this community is especially near and dear to my heart, as my great-grandparents, Frank and Alice Carlson, lived there. Great-grandpa Frank was a Kansas farmer, and also had a distinguished political career, serving as Kansas Governor as well as a US Senator. One fact about great-grandpa Frank that is not widely know is that he was a primary influence in convincing General Eisenhower to run for the Presidency. President Eisenhower later proved to be quite a visionary, starting the interstate highway system that *connected* the whole country. I see a parallel with the *connectedness* of the internet today.

In conclusion, I'd like to thank you again for the opportunity to tell you what our needs are, and how we can better improve our service for the benefit of rural Kansas and the state's economy, particularly the ag sector. I understand you are going to be hearing telecommunication legislation in the near future. What we need is the best telecommunication, including high speed connections available for all of Kansas, at an affordable price. Please be visionaries! Thank you.

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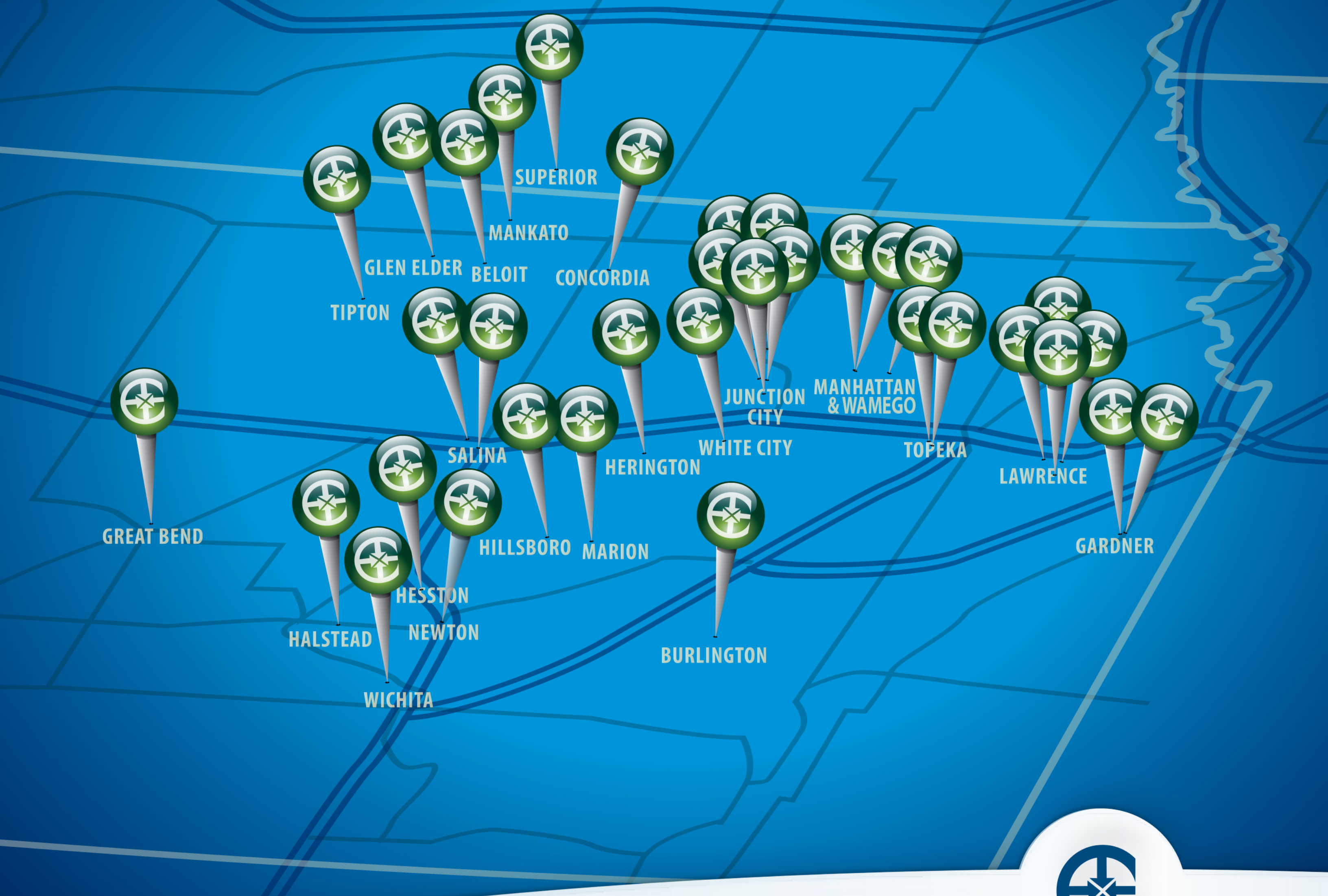

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