



**TESTIMONY IN OPPOSITION TO S.B. 119
STATE INDEPENDENT TELEPHONE ASSOCIATION OF KANSAS
FEBRUARY 16, 2017**

Good afternoon Chairman Olson, Vice Chairman Petersen, and Members of the Committee. Thank you for allowing SITA, the State Independent Telephone Association of Kansas, to testify in opposition to SB 119. My name is Colleen Jamison and until I joined the law firm where I'm now employed, I was a member of the legal staff at the Kansas Corporation Commission ("KCC") for eleven and a half years. I come before you today as SITA's Executive Manager. SITA members are rural local exchange carriers located throughout the state of Kansas and are family-owned, commercial, or cooperative organizations. SITA members are all designated as eligible telecommunications carriers ("ETCs") throughout their sparsely-populated service territories and are, in the entirety of those territories, some with a customer density of less than one per square mile, also carriers of last resort.

We come before you today to oppose SB 119 concerning the Kansas Lifeline Service Program. As you know, the federal Universal Service Fund provides a telecommunications services credit of \$9.25 per month to qualifying low income households across the United States. Although not all states have separate, state-established Lifeline programs, Kansas does and it provides an additional \$7.77 per month in service credits. Service providers must be designated by the KCC as an ETC and must pass along to the end user the entirety of the credit received, using either its own facilities or a combination of its own facilities and resale of another carrier's facilities. This "own facilities" requirement is established by Federal law and mirrored by Kansas law.

Some carriers in Kansas are designated as ETCs by the KCC to receive federal Lifeline credit reimbursement, only. Carriers designated by the KCC to also receive Kansas Lifeline credit reimbursement must offer added value to Kansas residents in order to receive the



additional \$7.77 per month in Kansas credits. In either case, the carrier must pass along the entirety of the credit to the end user.

SB 119 would remove from Kansas law the requirement that wireless carriers eligible for reimbursement of Lifeline credits provide service using at least some of their own facilities. SITA is in agreement with CenturyLink that the long-standing requirement that carriers eligible to receive Lifeline reimbursement provide service using at least some of its own facilities is competitively and technologically neutral. This equal footing should not be disturbed by easing requirements for wireless providers to the detriment of landline and cable providers.

We thank you for allowing us to provide this testimony, encourage you to vote “no” on SB 119, and welcome any questions should may have.