

Senate Utilities Committee
Mary Jane Stankiewicz, Executive Director
SB 119
February 16, 2017

Good afternoon Chairman Olson and members of the Senate Utilities Committee. My name is Mary Jane Stankiewicz and I am submitting this written, opposition testimony on behalf of the Kansas Rural Independent Telecommunication Coalition (KRITC).

Lifeline is a program that helps low income people have access to affordable communication services by providing a discount for phone service. According to the fiscal note provided by the Kansas Corporation Commission (KCC), there are 11 wireless providers that participate in the federal Lifeline program and if they are allowed to participate in the Kansas Lifeline program it will require an additional \$3.7m from the Kansas Universal Service Fund which would require the KUSF assessment rate to increase from 7.25% to 7.87%.

The proponents are seeking to allow non-facilities based companies to participate in the Kansas Lifeline program (see page 2, lines 22-30). The Kansas program requires “facilities-based” as a necessary characteristic for a company to participate in the program and this has served the program well. We believe having a facilities based requirement is necessary to ensure all providers are invested in Kansas.

Currently, the Federal Communications Commission, (FCC), is reviewing the federal Lifeline program due to the significant abuse and fraud in the program (primarily by non-facility based wireless companies). FCC Chairman Pai, of Kansas, submitted testimony in July of 2016 before the House Energy and Commerce Subcommittee on Communications and Technology stating his concerns about the Federal Lifeline program and said he would work to have effective safeguards to prevent fraud and waste.

We believe this program is still being refined by the FCC so it is premature to update the Lifeline program in Kansas. We believe the current program has provided a beneficial service to low income individuals but we do not think this is the time to make such a significant change to our law, especially since we may have to visit the program after the FCC finalizes potential revisions of the program. Nothing in the current law precludes low income individuals from the benefits of the Lifeline program.

I appreciate your time and attention and would urge the committee to let the FCC make their changes so that we can review those changes and determine if the Kansas Lifeline law needs to incorporate these changes also. KRITC is supportive of an efficient and effective Kansas Lifeline program.

Based on the above reasons, we respectfully urge you to not pass out SB 119 favorably.