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Neutral Testimony of House Bill 2154

***Providing for the Statewide Election of Commissioners
of the State Corporation Commission***

**Testimony by Brightspeed
John Idoux, Kansas Governmental Affairs Director
Before the House Energy, Utilities and Telecommunications Committee
February 14, 2023**

Thank you Chairman Delperdang and members of the Committee. My name is John Idoux, and I am Brightspeed's Director of Governmental Affairs for Kansas. I appreciate this opportunity to express Brightspeed's position of House Bill 2154.

Brightspeed Introduction

While you may recognize my name and face, I suspect most of you have never heard of the company Brightspeed. In simple terms, CenturyLink is now Brightspeed in Kansas. In October 2022, Apollo-managed funds (NYSE: APO) completed its acquisition of incumbent local exchange carrier (ILEC) assets and associated operations across 20 states, including Kansas, from CenturyLink/Lumen (NYSE: LUMN).

Brightspeed is now the nation's fifth largest ILEC, with a service territory encompassing more than 6.5 million locations in rural and suburban communities across parts of the Midwest, Southeast, and Mid-Atlantic. Through its local fiber and copper networks, Brightspeed provides internet and voice offerings to residential and small business customers, as well as high-speed connectivity, voice, networking, and managed services to enterprise customers. ***Brightspeed has provided communications services in Kansas under various names since 1909 and today serves rural Kansans in 119 communities including Junction City, Fort Riley, Gardner, and 111 communities with fewer than 1000 residents.***

Brightspeed Fiber Investment Plans

The company has officially commenced the buildout of its state-of-the-art fiber optics network. Brightspeed plans to complete over 1 million new fiber passings across 17 states during the initial phase of construction through the end of 2023. Brightspeed's planned investment of at least \$2 billion in its fiber network transformation will bring faster and more reliable internet service to more than 3 million homes and businesses over the next five years, primarily targeting locations where fiber and advanced technology have not historically been deployed.

In Kansas, Brightspeed recently shared that in 2023 we will construct over 10,000 fiber passings in Gardener, Osawatomie and Hiawatha. This is in addition to the existing fiber customers that will transition to the Brightspeed fiber platform. In subsequent years, Brightspeed will add additional fiber-enabled locations for the communities it serves.

HB 2154 Overview

In general terms, House Bill 2154 proposes to (1) provide for the statewide election of State Corporation Commission commissioners, (2) create a new state agency division within the Attorney General's Office to represent and interests of utility consumers before the Commission and (3) allow the Attorney General's Office to intervene in utility rate cases before the Commission.

HB 2154 to Increase Costs

Brightspeed does not take a position at this time regarding the specific Act; however, Brightspeed urges the Committee to acknowledge the high likelihood of a significant cost increase with the proposed provisions contained within HB 2154. Specifically, HB 2154 will highly likely result in increased Commission costs, and potentially increased costs by the Citizens Utility Rate Board.

Both the Commission and CURB costs are currently funded by regulated entities via an agency assessment structure, and it would be grossly unjust to require these regulated entities to continue to fund the Commission or CURB. As such, should the Committee opt to advance HB 2154, the Committee should also amend the bill to fund both the Commission and CURB from the state general fund and eliminate the current assessment funding structure.

Conclusion

Brightspeed appreciates the opportunity to offer its position on HB 2154 and thanks the Committee for its consideration of an amendment to modify the funding structure of the Commission and CURB if HB 2154 advances.