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SB 88 - Providing for the Statewide Election of Commissioners

Oral – In Person

Neutral

From:

John Idoux, Brightspeed

Director Governmental Affairs, 704.314.2367, john.idoux@brightspeed.com

Thank you Chairman Olson 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 Senate Bill 88.

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 if 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 Gardner, 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.

SB 88 Overview

In general terms, Senate Bill 88 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.

SB 88 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 SB 88. Specifically, SB 88 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 SB 88, 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 SB 88 and thanks the Committee for its consideration of an amendment to modify the funding structure of the Commission and CURB if SB 88 advances.