



Kansas **Cable Telecommunications** Association

Testimony In Opposition To SB 350

**Offered By:
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**On Behalf of:
The Kansas Cable Telecommunications Association**

**Senate Utilities Committee
January 24, 2006**

Thank you Mr. Chairman for allowing me the opportunity to appear on behalf of my client, the Kansas Cable Telecommunications Association. I appear in opposition to SB 350, as currently drafted, and will respectfully request that your committee consider amendments to the bill that will further protect the Kansas consumer while maintaining a fair regulatory environment that will spur competition.

The cable industry in Kansas has a long history of bringing to market high-quality, affordable advanced telecommunication services to Kansas consumers across the state using private capital. We are also proud of our reputation in this building as it relates to our measured response to certain legislation. Although it would be easy to do so, the KCTA does NOT endorse unnecessary regulation on any of its competitors, but does advocate that ALL factors be carefully considered before removing existing regulations, put in place to protect the consumer.

As I mentioned last year, there is no question that competition benefits the consumer. But in order to have competition, YOU NEED COMPETITORS. The concerns we have with SB 350 spring from the reality of what the telecommunication marketplace *is* in rural Kansas, and the "largeness" of the companies asking for unfettered deregulation. In short, as you consider SB 350, you need to be aware of the long-term, negative impact that a poorly crafted, hastily enacted de-regulation bill will have on the rural telecommunication consumer. To grant de-regulation without the proper oversight and safeguards MAY create an unbalanced competitive environment that allows a telecommunications behemoth to easily eliminate smaller competitors in parts of the state where currently, telephone competitors to AT&T and United Telephone barely capture 5% of the market!

With that in mind Mr. Chairman, the KCTA would ask the committee to consider amending SB 350 with what feel are two consumer-friendly concepts.

The first suggested amendment is conceptual. We would ask the committee take into consideration the unique challenges small cable companies and other providers face, and the delicate nature of telecommunication competition in rural Kansas. Given those unique challenges and the lack of true competition available to rural telecom consumers, we would ask that the provisions of SB 350 NOT APPLY beyond the urban areas and that the current mechanisms currently in statute that allow for de-regulation applications be made to the KCC, continue.

Our second suggestion is that the committee consider the balloon amendment attached to my testimony. The KCTA has crafted two simple amendments to SB 350 that will further protect against predatory pricing, a dangerous practice that provides only short term-consumer benefits. Our amendments will apply to page 6 Section (k) of the bill and relate only to price floors.

In closing Mr. Chairman, we urge you to proceed carefully as you consider this historic piece of legislation. I will be happy to respond to questions.